

DISTRIBUTION AND WAREHOUSING



The Business Paper of the Warehouse Industry

Reg. U. S. Pat. Office.

Volume 30

NEW YORK, NOVEMBER, 1931

No. 11

Warehouse Group Ask Inquiry Into Rail Storage Practices

Protective Committee
Appeals to I. C. C.

UNLESS the railroads serving the port of New York are compelled to get out of the commercial warehouse business, a group of public storage companies in the metropolitan district must "yield to irresistible railroad might," retire from warehousing and scrap a hundred million dollars' worth of property, the Interstate Commerce Commission has been informed in a brief filed by John J. Hickey, a Washington attorney representing the Warehousemen's Protective Committee, an organization which, formed last June, now has a membership approaching the hundred mark.

The Warehouse Protective Committee has appealed to the Commission to keep the railroad storage situation apart and distinct from the Commission's Ex Parte 104, which is the Commission's investigation of the management of the railroads. The rail storage case should be expedited, Mr. Hickey has urged the Commission, and should "not be retarded by commingling with the matters in Ex Parte 104," in order that a recommendation may be presented to Congress with a view to amending the interstate commerce Act in order "to restrain common carriers from directly or indirectly engaging in trade services of any kind or in any business activities that are outside recognized common carrier duty."

Warehouse executives in nearly every State "are offering their cooperation, as they consider it a vital issue," according to T. A. Adams, chairman of the Warehousemen's Protective Committee. Mr. Adams is chairman and a director of the Cold Storage Warehousemen's Association of the Port of New York and is president of the Union Terminal Cold Storage Co., operating plants in New York City and Jersey City, N. J. Frank A. Horne, president of the Merchants Refrigerating Co., New York City, Jersey City and Newark, is the Warehouse Protective Committee's treasurer and finance committee chairman. The secretary is F. S. Shafer, secretary of the Essex Warehouse Co., Newark, and secretary of the New Jersey Merchandise Warehousemen's Association.

The objective of the Warehousemen's Protective Committee, according to Mr. Adams, is "to eliminate the railroads from warehousing—a trade service—and to compel them to confine their activities to transportation."

Members of the Association of Railroad Warehouses, organized at the annual convention of the American Warehousemen's Association at Atlantic City last January, are not eligible for membership in the Warehousemen's Protective Committee, according to Mr. Adams, nor are warehouse companies which have railroad affiliations.

"The Warehousemen's Protective Committee is opposed to the railroads and their affiliated warehouses giving warehouse service at only a fraction of its actual cost, and, in some cases, absolutely free," to quote Mr. Adams.

THE brief filed with the Interstate Commerce Commission by Mr. Hickey as chief counsel for the Warehousemen's Protective Committee is a lengthy one and has not yet been made public in its entirety. It is titled "Engagement of Railroad Companies in Warehousing and Storage, Storage Services, at the Port of New York." The major purposes of the brief, a reading of its introduction discloses, are:

1. "To show that this matter should not be included in Ex Parte 104.
2. "To distinguish common carrier storage services from commercial warehouse service which also includes storage service.
3. "To show that the performance by common carriers of both transportation service and trade services (the trade services being commercial warehousing and storage) will virtually nullify the provisions of the statutes which were intended to compel common carriers to adhere to their published rates."

Information along these lines had previously been submitted to the Commission by Mr. Hickey, and the attorney says in his brief:

"When summarized, that information shows that the 8 large railroad systems that serve the Port of New York, prompted by the traffic buying motive, have engaged directly and indirectly in commercial warehousing and storage.

"In their dual and inconsistent position of carriers and tradesmen, they 'cut' warehouse charges below the cost of service level and enticed business away from the several warehouse concerns that I represent.

"The damages resulting to commercial warehouses at the Port of New York and the dissipation of railroad income are very large. They requested certain action by the Commission; that is, an investigation by the Commission on its own motion and injunction proceedings under section 3 of the Elkins Act with purpose to compel complete withdrawal by the railroads from performance of commercial warehousing and storage."

In requesting that this situation not be included in the Commission's investigation of the management of the railroads (Ex Parte 104), Mr. Hickey maintains that a warehouse company is a shipper. In his brief he says:

"The warehousing practices discussed herein are of great public interest that transcends the interests of the complaining warehousemen. If the Commission cannot restrain common carriers from engaging in warehousing and other trade services, the statutory restraints of rebating, unjust discrimination, etc., are of slight value to the shipping public.

"A majority of the large corporations in this country, including the packers, iron and steel mills, soap manufacturers, dealers in foodstuffs, manufacturers of specialties and wholesalers, use warehouse service in conjunction with railroad transportation. A large warehouse company is a shipper because it joins itself with the packer, etc., in a shipping group. The warehouse concern should not be regarded as a middleman or neutral, neither carrier nor shipper. The warehouse concern is always a member of the shipping group, and a rebate or concession given to the warehouse concern is then effectually out of the railroad treasury and completely in the possession of the shipping group, to be used as that group elects to use it."

"Rebating Vices"

Mr. Hickey tells the Commission that he understands that at least 50 per cent of the merchandise or package freight transported by railroads to and from the principal cities of the country is handled through warehouses and afforded commercial warehouse service. "If," he says, "the Commission permits the railroads to perform commercial warehousing of that large traffic, it will thereby relinquish its jurisdiction of the rates on that traffic and expose that traffic to the rebating vices of pre-Elkins Act days."

Mr. Hickey in his brief continues that:

"The railroad traffic departments say to the large manufacturers and importers, 'We cannot reduce our published rates for transportation, but if you will use our warehouse service, which is not subject to the interstate commerce Act, we can give you reduced charges for warehouse service that will be the equivalent of rebates out of our freight rates.'

"That illustrates the vice of the hybrid, carrier and trader, that can use a common treasury to depart from published tariff rates for its transportation department at will.

"Publication of rates for trade services in filed tariffs will not remove the evil. The Act does not apply to trade services. (*Peavy & Co. v. U. P. R. Co.*, 176 Fed. 409, 419.)

"The penal provisions of the interstate commerce Act and Elkins Act apply to departures from rates for transportation service and not to departures from filed rates for trade services and, therefore, it appears that common carriers subject to the Act must be compelled to withdraw from, and keep out of, participation in trade services or the interstate commerce Act and Elkins Act will fall far short of attainment of their principal purposes."

Losses to Warehousing

In declaring the situation to be "of such great consequence to the complaining warehousemen that they cannot consent to its being submerged" in the general investigation in Ex Parte 104, Mr. Hickey tells the Commission that:

"The property and business of the complaining warehousemen is being arbitrarily and unlawfully confiscated by this intrusion of the railroads into commercial warehouse activities and by the action of the railroads in cutting warehouse rates and charges below the cost of service level.

"The railroads recoup the losses resulting from their improvident warehouse ventures by exaction of rates for their transportation service or, stating the matter more accurately, by allowing the common treasury to absorb the losses.

"The complaining warehousemen must
(1) Compel the railroads to get out of the commercial warehouse business, or

(2) Petition Congress to include commercial warehouse services under the provisions of the Act, and then rely on the Commission to fix reasonable minimum warehouse rates and charges that will enable the complaining warehousemen to stand the railroad warehouse competition, or

(3) Yield to the irresistible railroad might, retire from the warehouse business built upon many years of experience, and accept scrap value for property worth more than \$100,000,000 when used for the warehouse business that it is especially adapted to."

Mr. Hickey sets forth the following additional reasons why in his opinion the rail storage situation should be excluded from Ex Parte 104:

1. "The warehouse matter may involve action by the Commission, pursuant to the

provisions of section 21 of the interstate commerce Act, in recommending that Congress amend the commodities clause, section 1 (8) of the Act, with purpose to restrain common carriers from directly or indirectly engaging in trade services of any kind or in business activities that are outside recognized common carrier duty. This case should be moved promptly, and not be retarded by commingling with the matters in Ex Parte 104, in order that the recommendation can be presented to Congress at an early date.

2. "Will sections 2 or 3 of the interstate commerce Act provide statutory authority for an order of the Commission, which, in effect, directs certain railroad companies to sell or dispose of certain warehouses representing investments of millions of dollars by those carriers? It appears that these two sections of the statute are sufficient. (*New Haven R. R. v. I. C. C.*, 200 U. S., 361, 299). However, I submit that this warehouse matter should be a separate case which can be prosecuted under the provisions of section 3 of the Elkins Act if it develops that injunction proceedings are preferable to an order of the Commission

3. "The warehouse matter at the Port of New York is a large and important case which should be a separate case not delayed or submerged by being commingled with numerous different matters in Ex Parte 104. Representatives of the warehouse companies at the Port of New York need at least 12 days to present their evidence at a public hearing. They should not be compelled to attend hearings on terminal services in Ex Parte 104 at many points in the United States. Evidence of ordinary terminal service is not relevant to the issues in this New York warehouse matter.

4. "The warehouse matter undoubtedly will be reviewed by the Courts. For the convenience of the Courts the record and report should be confined to that matter and not burdened with evidence and findings relating to other matters to be dealt with in Ex Parte 104."

Along a Different Line

MEANWHILE another group of storage firms, including some operating at the Port of New York, is proceeding under Ex Parte 104 against railroad practices. This group has the backing of both the Warehousemen's Association of the Port of New York and the merchandise division of the American Warehousemen's Association, and, as pointed out in the October *Distribution and Warehousing* (p. 9), a statement was filed, on behalf of this group, at the Interstate Commerce Commission's initial hearing (at Boston, Sept. 15-19) in the Commission's Ex Parte 104 inquiry into the management of the railroads.

This group includes Samuel G. Spear, who is treasurer of Wiggan Terminals, Inc., Boston, and president of the Massachusetts Warehousemen's Association and chairman of the American Warehousemen's Association's merchandise division's port and port terminals com-

The Why and Wherefore of the Protective Committee

T. A. Adams, chairman of the Warehousemen's Protective Committee, prepared for DISTRIBUTION AND WAREHOUSING the following statement regarding the formation and purposes of the Committee:

"ON June 8, 1931, a group of warehousemen at the Port of New York organized a committee, known as the Warehousemen's Protective Committee, which is instituting action to restrain the railroads from further intrusion into the warehouse industry and to compel the railroads to discontinue warehousing and storage activities that they have assumed in the past.

"The warehousemen who organized this Committee had already made an investigation of the warehousing activities undertaken by the railroad companies at the Port of New York and they have had the benefit of the advice of several prominent lawyers.

"Although the railroad companies properly may be involuntary storers or warehousemen in handling shipments which they are unable to deliver promptly at destination, our position is that the voluntary or solicited storage and warehousing activities of the railroads are trade or commercial services, outside common carrier duty, which the railroads cannot engage in without subjecting the shipping public and warehousemen, who are compelled to use the transportation service of the railroad, to unjust discrimination and grave injury.

"The Committee is not confining its action to merely insisting that the railroad companies exact compensatory rates and charges for storage and warehouse service, but is assailing the right of the railroad companies to engage in voluntary storage and warehousing under any circumstances.

"Our position is that the warehousing and storage services, of which we complain, are services voluntarily assumed and solicited by the carriers at New York Harbor and are trade services not embraced in common carrier duty. Such services are performed by warehousemen under their private contracts and dealings in all of the important cities of the United States and the assumption and performance of such services by common carriers are exceptional and unlawful. Common carrier warehousing or storage is involuntary service and is incident to transportation service.

"The uniform bill of lading and American Railroad Association (Agent B. T. Jones) Tariff I.C.C. No. 2197, cover the whole field of permissible common carrier warehousing and storage; that is, involuntary penalized storage. And when common carriers go beyond their bill of lading contracts and the Jones tariff and, under other contracts and arrangements, solicit and perform commercial warehousing and storage, in competition with their patrons who are lawfully engaged in that business, the result is the use of exclusive franchises and irresistible might in the condemnation and destruction of a lawful business of nation-wide scope.

"Prior to the year 1924 law and order prevailed in this matter at the Port of New York and warehousemen invested large sums of money in warehouse business under the belief that the interstate commerce Act and the Elkins Act afforded ample protection against railroad en-

croachment into warehouse or any other non-carrier business activity. In the year 1924 one railroad company, prompted by the traffic-buying motive, instituted the intrusion and was soon followed by seven traffic hungry competing carriers. This departure from common carrier service has been, and is being, attended by great dissipation of railroad income and indifference to the damage inflicted on warehousemen who are lawfully engaged in the warehouse business.

A Public Duty

"THIS matter is of great public importance not confined to the grievances of a relatively small number of warehousemen at New York Harbor. The warehouse industry is one of our most important nation-wide business activities in which many millions, and possibly billions, of dollars are invested. Can the railroads condemn that industry? The commingling of transportation service and trade service will defeat railroad regulation and that is another important reason for action by the Interstate Commerce Commission that will draw a clear line of demarcation between transportation and trade services.

"Common carriers should not be left in a position enabling them to say to shippers—we cannot give you a rebate of \$1.00 per ton out of our rates for transportation of your freight because that is forbidden by the Elkins Act, but we have another field of activity, warehousing and storage, that enables us to give you the equivalent of that rebate and in that field we are immune from statutory restraints.

"This clearly illustrates that if common carriers are permitted to perform both transportation and trade service the regulating statutes will lose their mandatory force and obedience to those statutes will become merely voluntary.

"Printing and publishing rates or filing tariffs showing charges for commercial warehousing or storage will not set aside that immunity. Carriers generally adhere to their published rates for transportation service because of the possibility of indictment and conviction for wilful departure from those rates. Interstate transportation of certain carload or l.c.l. shipments and transportation at rates greater or less than the published rates must be alleged in such indictments in conformity with the statute. The general provisions of the two statutes seldom, if ever, are applicable to trade services, and it follows that a common carrier that files tariffs of rates or charges for trade services cannot be indicted or prosecuted for departure from such filed rates or charges.

"If common carriers are not compelled to withdraw from voluntary warehousing and storage, well known trade services, they will be immune from effective regulation and, in respect to the great tonnage of warehouse freight, privileged to rebate at will."

mittee; Chester B. Carruth, Chicago, the A. W. A. merchandise division's cost accountant and statistician; D. L. Tilly, executive vice-president, and H. B. Whipple, traffic manager, of the New York Dock Co., and W. Clive Crosby, president of the Fidelity Warehouse Co., New York.

Supplementing the statement (published in full in the October *Distribution and Warehousing*) which Mr. Spear filed at the Commission's Boston hearing, Mr. Crosby filed a statement along the same general line when the I. C. C. held its second hearing, in New York late in September.

Mr. Crosby in his statement told the Commission that certain practices by the railroads "have been and are regarded by commercial warehouse interests not only as violations of law but involving unnecessary dissipation of revenues amounting to a failure to practice proper efficiency and economy."

The railroads' standard of practices at New York, Mr. Crosby declared, influenced the standard of practices at other ports, and also interior cities were affected.

"The order instituting this investigation," Mr. Crosby told the Commission, "is sufficiently broad to embrace any feature of railroad operations and practices

which could be regarded as wasteful and evidence of insufficiency. But while the order of investigation is very broad, yet the scope of the present schedule of hearings appears to be limited by the Commission to certain topics undertaken to be specified in the notices. Thus transit arrangements as such are in terms excluded from the present schedule of hearings. On the other hand, storage by railroads is in terms included within the scope of the present schedule of hearings.

"The Warehousemen's Association of the Port of New York, Inc., is and has long been greatly concerned over the fact that at the port cities (and at some of the interior cities) the railways are

extensively engaging in the warehouse business at storage and handling rates which fall very far short of covering the railroad costs. Likewise there is at most of the ports a failure by the railroads to assess any charges against vessels using the railway piers and wharves despite the general maritime practice throughout the world for vessels to pay such charges. Also in New York harbor those railroads which are engaged in the warehouse business provide on westbound business fire insurance on goods of shippers in railroad storage at an insurance rate which, with two exceptions, is very much less than would be the standard fire insurance premiums which otherwise would have to be paid by the shippers.

"These railroad practices have been and are regarded by commercial warehouse interests not only as violations of law but involving unnecessary dissipation of revenues amounting to a failure to practice proper efficiency and economy.

"The standard of practices at all the ports is influenced by those of the railway at New York. But at New York the storage with its incidents of insurance and handling is described as 'in

transit.' Thus, while this present schedule of hearings in terms embraces storage by railways, it excludes transit arrangements. Consequently, there has existed some confusion of understanding as to whether or not the matters above referred to are desired by the Commission to be embraced within the scope of the present hearings.

"We are informed that a memorandum has been filed with this Commission requesting that storage services performed by carriers be excluded from this proceeding and be promptly made the subject of a separate investigation. By reason of the importance of the matter we are in accord with that request.

"We understand that counsel for certain New York commercial warehouse interests made informal inquiry at the Commission concerning such point of doubt and was informed that it was not the wish of the Commission to include within the present schedule of hearings the storage features and incidents thereof such as I have referred to above, or to include the failure of railroads to exact suitable charges from the vessels for use of railroad piers and wharves. It was the understanding of such counsel,

however, that the matters here referred to are within the scope of the order instituting the investigation and appropriately will be gone into at a later schedule of hearings.

"My purpose in presenting this matter at this time is to record the attitude of the Warehousemen's Association of the Port of New York, Inc., and to have it understood that our omission to go into these matters at this time is due only to the understanding that either at later hearings in this proceeding, or in another proceeding instituted for that purpose, they will be taken up, but that for the present it is the wish of the Commission not to go into them.

"Such understanding is entirely satisfactory to the Warehousemen's Association of the Port of New York, Inc., for the reason that at this time the railways serving North Atlantic ports are engaged in a consideration of their port practices in respect to storage, handling, insurance and accommodation of vessels without charge.

"If there is any mistake of understanding on our part concerning this procedural question, I should like to be so advised now."

Philadelphia Port Seeks Warehousing's Aid in Fight Against Waterways "Free Storage"

By K. H. LANSING

QUICK assurance that the American Warehousemen's Association will assist the Port of Philadelphia Ocean Traffic Bureau when it brings its proposed case before the United States Shipping Board in the Federal barge lines' "free storage" practices controversy, is now sought by George W. Edmonds, manager of the Bureau.

This case, the preliminaries for which are being prepared, will seek to have the Shipping Board reopen for hearing its recent decision denying its jurisdiction over the Government-operated barge lines of the Inland Waterways Corporation.

To obtain such assurance, in order that the Philadelphia Ocean Traffic Bureau may feel it has full support, Mr. Edmonds, at the suggestion of Philip Godley, a Philadelphia storage executive who is a member of the Bureau, has written to Samuel G. Spear, Boston, chairman of the ports and port terminals committee of the merchandise division of the American Warehousemen's Association, and to R. W. Dietrich, New Orleans, chairman of the A. W. A. committee which is fighting the Federal barge lines' practices.

The letter to Mr. Spear is as follows:

"I am enclosing to you a report which I made to the members of the executive committee of the Port of Philadelphia

Ocean Traffic Bureau in connection with the Inland Waterways Corporation operated by the Government.

"The members of our association have authorized me to bring a case before the Shipping Board, asking them to reopen for hearing their decision denying their jurisdiction over the Barge Canal'.

"My reasons for taking this before the Shipping Board are:

"First—That there is already a warehousing case before the Interstate Commerce Commission upon which decision has not been given.

"Second—The Act authorizing the Shipping Board is broader insofar as the regulation of warehouses are concerned. They already have regulation of warehouses on the Atlantic and the Gulf coast and the Great Lakes under the Act. My idea is to force this issue with the Shipping Board, which will open up at least somebody to go to when we have complaints in regard to their operation.

"I should be very glad, indeed, to know if your association will assist us when we bring this case before the Shipping Board. Once attaining jurisdiction over this corporation through some Governmental body having the power to regulate, most of the evils complained of can be cured, or at least have a day in court.

"I am sending a copy of this letter to Mr. R. W. Dietrich, New Orleans, both of your names having been given to me as the proper parties to write to.

"I will be glad to hear from you at the earliest possible date."

Here is what Mr. Edmonds said in his letter to Mr. Dietrich, in which was enclosed a copy of the letter to Mr. Spear, with papers attached:

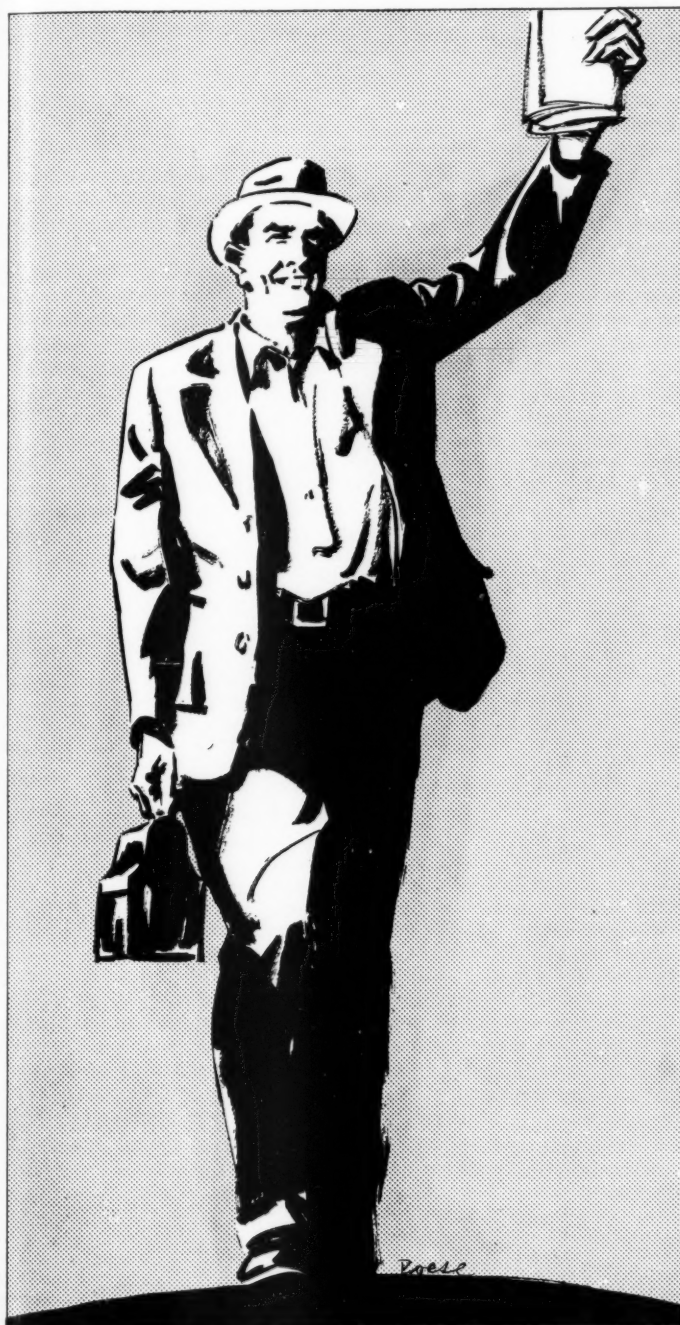
"I am sending you this at the request of Mr. Philip Godley, trusting that you folks will assist us when we bring the case before the Shipping Board."

Mr. Edmonds expressed some anxiety over the delay, thus far, in receiving any assertion or promise from the American Warehousemen's Association that it would lend its support.

"If the American Warehousemen's Association do not join with us in this," said Mr. Edmonds, "we shall have to look for local support. However, I believe the association will be represented when the case comes up."

FURTHER developments in the Federal barge lines "free storage" situation will be found on pages 48 and 50.

Keep his head up and we'll all come through!



You recognize this man. He lives in your own town, not far from you . . .

Though faced with unemployment, he is combating adversity with courage. He has retreated step by step, but fighting. He has spread his slender resources as far as they will go.

This winter he and his family will need your help.

There are many other heads of families much like him in the United States. This winter all of them will need the help of their more fortunate neighbors.

This is an emergency. It is temporary. But it exists. It must be met with the hopefulness and resource typical of American conduct in emergencies.

Be ready! Right now in every city, town and village funds are being gathered for local needs—through the established welfare and relief agencies, the Community Chest, or special Emergency Unemployment Committees . . .

The usual few dollars which we regularly give will this year not be enough. Those of us whose earnings have not been cut off can and must double, triple, quadruple our contributions.

By doing so we shall be doing the best possible service to ourselves. All that America needs right now is courage. We have the resources. We have the man power. We have the opportunity for world leadership.

Let's set an example to all the world. Let's lay the foundation for better days that are sure to come.

*The President's Organization on
Unemployment Relief*

Walter S. Gifford

WALTER S. GIFFORD, DIRECTOR
Committee on Mobilization of Relief Resources

Owen D. Young

OWEN D. YOUNG, CHAIRMAN

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DISTRIBUTION

Its Economic Relation
to Public Warehousing

Number 80

Drugs and Drug Items in Warehouses—A Study of Changed and Changing Marketing Methods Brought About by Reduced Volume of Sales During the Past Two Years

By H. A. HARING

THE fifty thousand drug stores of this country have undergone many changes during these two years in their effort to earn enough to pay salaries and rents. As anyone can observe for himself, they have managed, by some queer subtlety, to maintain the price of drinks at the fountain. Thus their earnings from this source have increased because supplies for the fountain have cost less. In most instances this increase of profit has offset the loss of volume at the fountain.

In every city, moreover, the fountain has more and more expanded its serving of food. Thus it has encroached on the restaurants, especially by providing a "meal" for about fifteen cents under what a restaurant can offer. In this way the fountain has actually swelled the profits of the store.

One of the country's leading wholesalers of drugs made a thorough study of retailers' businesses for 1930 and found that volume done at the fountain (which includes food served) had increased 12 per cent over the boom year of 1929! This was, however, the only department of the drug store that showed any increase at all. Others did less volume, with an average for the store as a whole of 40 to 55 per cent reduction from the previous year. The fountains forged ahead. They largely carried the stores through the adjustment of that year.

Undoubtedly, too, more drug stores than we know exist really as a sort of blind for the sale of alcohol in one form and another, this condition being particularly true in some of the larger cities where physicians of a certain type make a business of issuing prescriptions which evade the law. The drug store, legally open Sundays and often twenty-four hours of the day, provides an outlet available

nowhere else for the sale of liquors and narcotics, together with a few additional articles ordinarily under the ban of law.

Nevertheless, the drug store lives on the packaged product. The variety is so great that jokesters find these stores a source of endless puns; many items have only a remote relation to medicines; a cut-rate drug store on a prominent corner is a miniature department store combined with a five-and-ten. Yet packaged products in tens of thousands, both advertised and not, depend on the drug store for a wide multiplicity of outlets and a distribution that goes to the far corners of our country.

To these stores have come deep changes of recent years. Conditions are still undergoing change—a result of the druggist's effort to earn enough to pay rent and salaries in the face of a decrease of 40 to 55 per cent in total volume.

The loss of volume has been accompanied by price cutting such as never before existed. True, for years the drug trades have sold nationally advertised items at less than the full price, but nothing in the past ever approached the widespread severity of present price cutting. The "special" for Saturday has become the price for all the week and all the year. The selling price has, for thousands of items, become so low that even a good volume nets nothing for profits. The whole drug trade is, therefore, losing sleep in the attempt to alter its method of doing business so as to reap some profit from running its stores. Changes are of almost weekly occurrence and the business publications have become almost gossip sheets of unexpected announcements and sly hints of others to come.

LIKE the "midget radio" of two years ago, which originated on the Pacific Coast and which thoroughly upset the radio industry, the far West, also a bit less than two years ago, evolved the "pine board drug store." This type of store is sweeping the land, having now reached the Mississippi Valley in large numbers and already threatening the druggist in the eastern States.

The name suggests the store. Cheap lumber, in the rough, is used for the fixtures of these stores. They are roughly made, a striking contrast to the polished mahogany and plate glass of the cabinets and counters of a standard store. Economy, too, is evident in other features of

design and operation. Instead of the traditional corner location, with expensive rentals, the pine stores prefer locations in the low-priced spaces at the middle of the block. It has been stated that the entire cost of equipping a store is about one-tenth that for a standardized drug store; that is to say, \$2,500 is enough to start in business.

Cheapness, thus suggested in the equipment and location, is a part of the sales plan. One authority says:

"The sales plan is undiluted price sensationalism; any appearance of elegance would be incompatible with such a central idea, and pine boards become, accordingly, an integral part of the plan."

The pine board store makes no pretense to having either prescription counter or soda fountain. It offers no delivery service and gives no credit to customers. It does not undertake to carry any of the traditional, slow-moving items which the usual drug store is compelled to stock. It specializes on items that sell on sight, in packages or in form that may be handed over the counter without anything more than a quick wrap.

All prices are cut. Even goods which are not thought of as leaders in the trade are cut. Those inconspicuous goods, all those lines of unbranded and unidentified products, from which the druggist

has been accustomed to make a nice profit by substituting them for advertised items, are cut by the pine board store. With its expense of doing business probably one-half that of the standard drug store, the newcomer has been able to cut all prices—slashing them so low that competing drug stores of the old type are lost, when judged by the price mark.

In this mushroom competitor, accordingly, the druggist sees a threat more dangerous than the chain or the department store. In some sections of the West the pine board store has severely hurt established druggists, and there is every reason to expect that the onslaught will shortly reach the eastern seaboard.

Penalty of Direct Selling

A SECOND change in drug retailing has come from a source wholly unexpected and from a cause equally innocent.

What has happened has recently been brought to general attention through a long series of interviews with wholesalers in a score of cities. These first-hand talks with jobbers have given a surprising sidelight on the profit-and-loss effects of our changed methods in merchandising.

Drug wholesalers, everywhere from Boston to Omaha and from Detroit to Memphis, tell a story that is almost identical. It is not a wail about chain stores, nor sorrowful tales of the mutuals, nor very much complaint about margins! Something like the following is their "news" when talking frankly across the office table:

"Our retail outlets have dried up on us! Every month we have fewer accounts on the books. . . .

"Oh, yes, their stores are open. But they're bankrupt. Their credit is so weak we can't sell them. In our territory are 700 drug stores, and two-thirds of them are on a c.o.d. basis with us. Before we shut them off the list, we already held their notes for anything from \$300 to \$6,000 apiece, with the landlords' claims ahead of us and God only knows how many liens on their fixtures and fountains."

Or, as a variant of this explanation, with a deeper hint of trouble brewing for the distant manufacturer, came such a statement as the following:

"We've cut off half our accounts. We're concentrating on the ones that give us a profit, the stronger ones that can pay their bills. The others may buy somewhere else and—you know—that means they'll probably flatter some manufacturer in Jersey City by ordering direct. That's a horse of another color—something the factories didn't think of four or five years ago when they took on every old outfit as a 'direct' customer. They're getting a belly-full now, a lot of them!"

More detailed conversation brought out the difference between a retailer buying from his jobber and buying from the manufacturer a thousand miles away who sells "direct."

The jobber, for one most important

thing in the problem, is in the habit of nursing along the wobbling account. His salesman would take back unsold lines, would from week to week urge the dealer to push lines that gave him a long profit. The very certainty, too, that the retailer would see the jobber's salesman come into the door each Tuesday at about 4.15 by the clock prepared his mind to place an order for his wants and to hand over a \$20 bill on account.

Country dealers, as well we know, have never been so close to their jobbers as the salesman's car has brought about. And, when thinking of wholesalers, we should not overlook that army of so-called "wagon jobbers" who call regularly on retailers of many trades, including the outlying drug store. These wandering jobbers, with stocks in the truck all the time, visit inconspicuous outlets numbering tens of thousands, many of whom are too tiny to be classified as "retailers" or listed in the directories of their trade.

But, with "direct selling" by manufacturer to retailer, the personal call at short intervals is lost. Important retailers may be visited once or twice a year by salesmen, but the manufacturer who sells in this manner looks to the mail to carry his message and bring in the coveted order for goods. Not being obliged to face a salesman, the dealer finds it simple to stick the invoice for goods on the spike, and, just as nonchalantly, toss the letter from the collection department into the stove. The amount he owes any single manufacturer, even with two or three "deals" and "special offers" a year, is seldom large enough for a suit at law to enforce payment.

Two years have brought upon the retailer the same burden all business has faced: shrinking income, narrowing profits, greater sums outstanding on frozen accounts. His status has become less liquid. But the wholesaler, profiting through his intimate touch from week to week, has managed to keep the retailer's cash till pretty clean. Whenever there has been money in the lower compartment, the jobber's man has collected it to apply on "open account."

As the retailer's cash got low, he was compelled to accept goods from the jobber on a c.o.d. basis. Only thus could he get emergency stock. But, as this condition has spread more and more among the drug stores, their owners have looked "everywhere to find where they could buy without paying cash." One very obvious place of this sort has been the manufacturer who is eager to sell "direct." In fact, in the drug trade, the manufacturers for several years have been tempting the dealer to side-step the wholesaler by dealing directly with the factory for goods. The same goods were offered as could be had through the jobber—but—the jobber demanded payment. If, on the contrary, the order was placed with some distant manufacturer, the cost of the goods might be a bit higher on account of delivery charges, but the invoice bore that alluring 60 days' time; often 90. The druggist would have been a fool not to order "direct."

To the distant manufacturer, however, a new situation arose.

The wholesaler, through whom formerly the goods were distributed, is notably good pay. The moment the manufacturer exchanged two or three good jobbing accounts in a territory for 500 or 700 retailers' accounts, he walked into an unexpected complication. His book-keeping department now had a multiplicity of accounts, each of them petty in total as compared with the older billings to wholesalers. Naturally, these retailers paid their first invoices, but, as the word "delinquent" came to be rubber-stamped against their names, they became queerly blind to correspondence and callous to stinging telegrams sent "charges collect."

For most standard items of the drug store, however, more than one maker exists. If, accordingly, maker A with national advertising demands either payment of the account due or insists on a c.o.d. shipment going forward, the retailer in one form or another makes reply:

"That's O.K. with me. I'll stock the B brand."

Not another word is needed. The manufacturer knows that the druggist is never averse to substitution of one brand for another. Hence the retailer gets at once another lot of the A goods—possibly half the quantity he had requisitioned, but even that much is far more than he could have obtained from his jobber.

When the manufacturer undertook direct dealings with druggists, he did not plan for credit losses. Nor did these emerge during those roaring years of 1926-1929. Today, on the contrary, the manufacturer, is enmeshed in a mountainous mass of accounts of \$50 and less, scattered wherever there is a postoffice. At the present time a large part of the apparent profits from selling goods has been cut down by losses which sooner or later must be charged off.

Retailers, as a class, are not always good managers. Boom times started thousands of them into the drug store for their own account—lured into the venture by the rosy years when everyone was freely spending his money and amply able to pay his month's bills. However unfit the management, a corner drug store could make money.

But today, even the better retailers are feeling the relentless competition of the drug chains, that competition being nowhere harder to meet than in the chains' policy of selling for cash. Although, of course, some chains do sell "on the book," the ratio is indeed small; whereas, with the independent druggist, ever so slight a business recession brings a deluge of "charge accounts."

Retail druggists, for this reason, have become exceedingly precarious as credit risks. And, in a broad way of looking at the situation, the wholesaler does to the druggist for the buying of goods just what the chain is doing for his selling—bleeding away his cash. The manufacturer comes out at the short end. He—meaning, of course, those of the number who sell "direct"—is getting, under

present conditions, for his goods what the druggist himself is getting from his customers for those same goods: "tick"—and of not very high quality at that!

Worries

THUS two deep changes have come into the marketing of drug items.

The fly-by-night druggist of the pine-board variety opens up with a blare one week. The policeman who was required that week to prevent the crowd of customers from smashing the pine front has often been summoned the next week, or some week not far distant to seize the pine shelves and the array of empty cartons for the sheriff's office. The pine board drug store is so poor a credit risk as hardly to deserve a rating with the commercial agencies.

Then, for established drug stores, the terrible credit condition—for reasons such as we have outlined—has brought new losses on the manufacturer. Manufacturers who distribute through jobbing houses blame them for the loss of volume these two years; those who sell "directly" to retailers have faced losses such as they never suspected could engulf them.

Some way out of this dilemma ought to be possible.

The Accredited List

MANY manufacturers have repeated what they did in 1921.

At that time the wave of bank failures in Iowa and other agricultural States brought upon us a bad condition. Banks were closing so rapidly that even merchants who were financially strong might become involved overnight through the closing of their banking connection. Yet the people of those States were eating and wearing clothes; they were consuming goods of all sorts. In order to supply them with fresh commodities and, at the same time, safeguard themselves from loss, distant manufacturers used the warehouse stock and the accredited list of customers to an extent never before known.

The operation was the familiar one. Goods were stored in warehouses by the manufacturer and in his own name. The goods were not put out as consigned merchandise, with all the risks of loss that flow after the consignment. Nor were they shipped to wholesalers and merchants who might not be able to pay the bill when due. The goods were put into public store where the manufacturer held title and where his order alone controlled withdrawal.

In order, however, to shorten the time of relaying an order from local jobber or retailer to the manufacturer's office and then forwarding the order-out-of-store to the same city, the manufacturers made up lists of their customers by classifying them into "good" pay and "poor." Those who enjoyed credit were "accredited" to the warehouse, with or without a limit for quantity of goods or extent of credit in dollars, and the warehouseman was instructed to honor their own requisitions for goods. As the lo-

cal jobber or merchant had a sale for goods in prospect, he went to the warehouse for such goods as he required, neither more nor less than he had actually sold, and, of course, the exact size or color or model. The warehouseman handed out the goods and thereupon reported to the manufacturer, who invoiced the sale in regular course.

To the accredited local business man this was a simple solution. He was saved the investment and the cost of stocking goods—especially at a time when credit was tense and when all business transactions were unusually precarious—and yet he had close at hand a stock of goods ample for his wants. The plan was not, in some respects, quite so satisfactory to the progressive house as having the goods actually under their own roof all the time, but its advantages far outweighed the disadvantages.

The plan did another thing. It made provision for the jobber or the merchant whose credit was questionable. Such a house, at such times as those were in 1921, was unable to get goods for stock, because cash must be laid down with the order or the shipment accepted as a c.o.d. delivery. The c.o.d. may be submitted to for an order that has been actually sold or for repair parts to equipment; but no merchant will accept a c.o.d. for surplus stock. Rather, he goes without.

But, however weak his credit, any dealer will pay on delivery for an item that a customer has demanded. He sees the cash coming in at once to replenish what he pays out. And so, for those distressed manufacturers of ten years ago, the spot stock in public warehouse solved, also, the difficulty of the "poor" paying outlet. Just as the house of good credit was permitted to withdraw goods from the warehouse on open account, so the house of poor credit was told to apply to the warehouse for goods, paying cash on delivery as would have occurred for any shipment coming in, but with the wonderful advantage of being able to lay hands on fresh goods almost at once.

The plan is somewhat cumbersome. It entails a rather elaborate set-up between manufacturer and his customer on the one hand, and between manufacturer and warehouseman on the other. That much we grant you. Yet that it is a workable plan is proved by hundreds of manufacturers who have continued to use the scheme throughout all the ten years that ensued after 1921. During that period the collect-on-delivery withdrawals became fewer in number and the accredited lists grew in length and the limits to credit became highly elastic, but the plan was kept alive. By many manufacturers it was developed and expanded over the entire United States, while those who do an export business found it in common operation in every commercial center of the world outside of this country.

Such a product as Pepsodent is allowing the American Warehousemen's Association to quote their experience with warehouses to this extent:

"The public warehouse is a most im-

portant factor in the national distribution of our products. This company was quick to recognize the possibilities, and has been a user of, public warehouses since the earliest development of its business. We do not know of a better medium for any large shipper or national distributor. It permits the spotting of stock at the most strategic centers. The service is flexible and can be adjusted to suit the most exacting requirements. In fact, it is the ideal instrument with which to set up a thorough and practical distribution system upon a most economical basis."

Experiences Being Repeated

THE years 1930 and 1931 have brought a sudden revival of the accredited list. No industry has done this more than the manufacturers of items which go into the drug store.

At a convention of the past summer, a round-table discussion brought together 84 men. They represented a total of 64 or 65 manufacturing concerns. During the discussion a poll was taken, the results of which were this:

1. Of 64 or 65 manufacturers (it was afterward uncertain which is correct), 37 have warehouse stocks with public warehouses within the United States.

2. More than a half of these, 23 to be exact, had gone into the public warehouses prior to 1930, but 14 of them have made this change in distribution during the years of 1930 and 1931.

3. Of the 37, nearly all, and actually either 34 or 35 by count, use the accredited list to some extent; 8 or 9 of them, who had warehouse stocks before 1930, stating that they had adopted the plan of accrediting their customers since that time.

4. All the 14 who have gone into warehouses these two years follow the plan of accrediting their customers.

5. Every one, and to this there was no exception reported, who uses the accredited list uses also the c.o.d. plan to supply stock to outlets of poor or tottering credit.

One manufacturer in this field, who reported "about 25,000 open accounts with retail drug stores" at the present time, stated that the average order delivered out of warehouse "is less than \$21 but over \$20," as compared with an average of "easily \$35 for every order that is shipped from factory to druggist."

"During 1930," continued the interesting statement by this manufacturer, "we probably had 150,000 withdrawals of stock from the public warehouses more than in any year before that. Not a dollar was lost to us. I would guess that of the increase of that 150,000 lots, eight-tenths of them, which would be 120,000, were c.o.d.'s. It's the c.o.d. fellow who makes most use of the spot stock in times like these."

Think of it! An increase of 150,000 orders in a year, and that, too, of orders that average more than \$20! That happened in a year when most businesses were reporting less of this and less of that and the "bottom the limit."

In conversation, after the round-table

had adjourned, it was told me that "probably half of all the warehouse withdrawals were by jobbers, with an average much higher than \$21.

"Jobbers use our warehouse stocks regularly. We maintain them for their convenience. Retail druggists come to the warehouse either because they are chains and refuse to go to the jobber or because they have no credit standing with the wholesaler and would prefer to pay c.o.d. at the warehouse sill to

handing over the same money to the jobber's delivery truck. The withdrawals by retailers often are as small as four or five dollars. I'd guess the average is ten, for individual retailers, and, of course, for a chain store it might be several hundred dollars."

A Plan That Serves

The accredited plan of distributing goods serves particularly well for so uncertain a trade as the drug business.

And in a year when deep changes have upset all drug retailing, and when everything seems to be food for gossip and rumor, those manufacturers who follow this plan have the comfort of knowing that their business is safe. They have, by utilizing the accredited method for good customers and the c.o.d. for doubtful accounts, no large amount at risk in accounts too small to enforce collection and too widespread to look after in person.

The Commodity Loan and Warehousing

By H. C. NICHOLSON

Executive Vice-President, Seaboard National Bank, Los Angeles

Distant Financing
Can Be Arranged

IN the past fifteen years banking has changed to accommodate changes in merchandising. Formerly the manufacturer, the wholesaler and the retailer were curtailed in their operations by the legal restrictions which limited their borrowing facilities. Whenever their loans became out of proportion to their assets, or whenever they had borrowed as much as 10 per cent of their bank's capital and surplus, the stop sign was against them.

With the advent of the Federal Reserve Bank and the enactment of Federal and State laws, this condition has been relieved, for the loan powers of banks have been greatly broadened. Material benefit has occurred to both banking and commerce. The great purpose for the creation of the Federal Reserve Bank was to provide a flexible currency. Its function has automatically provided flexibility to all departments of merchandising.

Under the national bank act, no bank is permitted to loan to an individual or firm in excess of 10 per cent of the bank's capital and surplus, with few exceptions. A most liberal exception is the "commodity loan." The act specifically excepts "obligations secured by shipping documents, warehouse receipts, or other such documents, transferring or securing title covering marketable non-perishable staples, when the market value of the property is not at any time less than 115 to 140 per cent (regulated by the amount) of the loan and the property is fully covered by insurance."

Federal Encouragement

On such loans the bank's legal loan limit is raised to 50 per cent of its capital and surplus, and the merchant may borrow five times his normal limit, if his merchandise is properly warehoused. The Federal Reserve Bank encourages

the use of this commodity paper in the belief it represents the legitimate demand of commerce for financing, and it will discount this paper for its member banks, extending the usual ninety-day limit up to ten months.

The great benefits of financing through the vehicle of the commodity loan accrues particularly to the manufacturer and the wholesaler. The manufacturer can operate his factory through the dull season and borrow against his surplus stock. The wholesaler can deliver his goods to his distant territories in car lots with resultant freight saving. He is insured against transportation delays. He can have his wares immediately available for the hand-to-mouth buying, and distribution of the present time demands that of both the wholesaler and the manufacturer. Nor are they restricted to their local banks for their borrowings. In the city where the goods are warehoused, the banks will liberally finance it. His warehousemen can arrange this distant financing.

The tendency of modern banking is to reduce the hazard in loaning money. Consequently, loans secured by collateral stand preeminent in the bank's estimation. With collateral loans, the banker has in his possession property sufficient quickly to liquidate the note, and the banker's safety is in no way dependent on the subsequent fortunes of the borrower. If the collateral is stocks and bonds, he has the actual custody in his own strong box until the note is paid. If the collateral is merchandise, whether a raw material or a manufactured product, its nature precludes the possibility of the lending bank taking custody and a warehouse must be made trustee for the safekeeping of the commodity. The trust thus created between the merchant, the banker and the warehouseman is evi-

denced by the standard warehouse receipt. Upon this receipt and the integrity and dependability of the warehouseman who issues it the banker places his faith. This faith must be maintained, for on its foundation rests the entire structure of commodity financing.

For use as collateral and to be eligible for discount in the Federal Reserve Bank, the warehouse receipt must be negotiable in form and in conformity with the uniform warehouse receipt Act. The warehouseman issuing the receipt must be entirely independent of the borrower pledging such receipt and must have no financial interest in the goods except the usual lien for his storage charge. The goods must be covered by insurance. They must be a readily marketable staple, the price of which is easily determined. The character of the warehouseman, stability and financial standing must be above reproach. Under these conditions little difficulty will be experienced in negotiating commodity loans.

Reed Incorporates

Reed Warehouses, Inc., is the newly incorporated name of the Droz Transfer Co., Worcester, Ohio. C. D. Reed, who was owner and manager of the Droz firm, is president and operating executive of the corporation bearing his name.

Announcement of the incorporating of the Reed organization was erroneously listed under Akron, Ohio, in page 62 of the August *Distribution and Warehousing*.

Marsh Weds

Truman H. Marsh, president of the Rapid Delivery Co., Milwaukee, and Mrs. Verna Reukema were married in Waukegan, Wis., on Sept. 1.

Figures Indicate Check in Occupancy Recession

First Upturn
This Year

By KENT B. STILES

PUBLIC MERCHANDISE WAREHOUSING July-August, 1931

Division and State	Per Cent. of Floor Space Occupied		TONNAGE							
			Received During Month		Equivalent No. of Lbs. per Sq. Ft.		Delivered on Arrival		Equivalent No. of Lbs. per Sq. Ft.	
	July	Aug.								
NEW ENGLAND (Total)	55.8	56.3	16,636	12,312	12.1	9.0	4,646	4,834	3.4	3.5
Vermont and New Hamp.	51.7	78.5	560	190	15.2	6.5				
Massachusetts	54.0	54.0	12,982	8,795	14.2	9.6	1,691	1,502	1.8	1.6
Connecticut	59.7	64.6	1,022	1,207	4.7	5.6	2,705	3,122	12.5	14.4
Rhode Island	62.8	58.4	2,072	2,120	10.2	10.4	250	210	1.2	1.0
MIDDLE ATLAN. (Total)	60.1	61.9	87,459	95,399	12.1	13.2	12,015	13,255	1.7	1.8
N.Y. Metropolitan Dist.	60.1	62.4	50,350	60,790	9.5	11.4	4,042	5,433	0.8	1.0
Total (1)	57.3	61.1	28,109	32,654	9.4	10.9	2,889	4,233	1.0	1.4
Brooklyn	59.2	62.7	7,966	7,755	10.9	10.6	171	167	0.2	0.2
Manhattan	65.7	64.4	11,269	16,799	7.7	11.4	918	1,033	0.6	0.7
Nearby New Jersey	70.3	64.6	3,006	3,582	23.6	28.1	64		0.5	
All Other	61.9	60.2	15,591	11,452	21.1	15.5	5,285	4,924	7.1	6.6
N.Y., except Met. Dist.	56.0	57.0	1,296	1,396	16.1	17.3	342	252	4.2	3.1
N.J., except Met. Dist.	59.3	60.7	20,222	21,761	19.5	20.5	2,346	2,646	2.2	2.5
Pennsylvania										
E. NO. CENTRAL (Total)	70.6	70.1	112,190	99,490	24.3	21.9	21,720	21,923	4.7	4.8
Ohio	72.6	72.2	22,132	23,259	17.3	19.8	8,916	8,291	7.0	7.1
Indiana	76.4	77.6	7,664	6,863	18.3	15.3	1,661	2,202	4.0	4.9
Illinois, except Chicago	74.0	75.3	12,048	11,017	54.7	47.9	1,603	1,742	7.3	7.6
Chicago	71.8	69.1	51,565	39,111	35.2	26.7	3,370	3,322	2.3	2.3
Michigan	65.0	66.2	10,996	12,912	11.8	13.8	3,511	4,072	3.8	4.4
Wisconsin	63.6	63.4	7,785	6,328	25.0	21.4	2,659	2,294	8.5	7.8
W. NO. CENTRAL (Total)	67.1	67.1	50,793	53,725	18.8	19.9	16,621	18,666	6.1	6.9
Minnesota, except Minne-										
neapolis and St. Paul	73.0	75.8	2,447	2,831	29.1	33.7	919	1,214	10.9	14.4
Minneapolis & St. Paul	66.6	66.0	15,258	17,251	19.7	22.3	6,255	6,481	8.1	8.4
Iowa	59.1	58.5	5,762	6,422	16.9	18.9	2,722	2,995	8.0	8.8
Missouri, except St. Louis	69.2	71.8	6,787	7,521	13.7	15.9	2,458	2,970	5.4	6.3
St. Louis	71.3	69.2	6,431	8,628	14.1	18.7	894	1,144	2.0	2.5
North Dakota	64.1	61.5	1,777	1,850	16.3	16.9	312	359	2.9	3.3
South Dakota	73.1	72.4	889	916	11.6	11.7	322	454	4.2	5.8
Nebraska	65.8	65.9	6,388	5,295	26.0	21.5	2,001	1,826	8.1	7.4
Kansas	68.4	72.8	5,054	3,011	40.5	23.2	738	1,223	5.9	9.4
SOUTH ATLANTIC (Total)	63.8	63.3	29,609	29,684	18.2	18.2	10,595	10,006	6.5	6.1
Maryland and Delaware	55.9	57.3	15,380	15,202	16.2	16.0	1,391	2,000	1.5	2.1
District of Columbia	76.3	76.6	1,888	1,902	19.9	20.1	1,472	2,138	15.5	22.6
Virginia	77.6	73.5	2,073	1,943	16.0	14.3	705	606	5.4	4.5
West Virginia	85.6	82.9	1,521	1,289	18.5	15.7	860	745	10.5	9.1
North and South Carolina	69.7	66.1	2,293	1,827	19.6	15.5	506	744	4.3	6.3
Georgia and Florida	70.0	66.0	6,454	7,521	25.8	30.0	5,661	3,773	22.6	15.1
SOUTH CENTRAL (Total)	61.6	62.7	34,935	33,346	16.9	15.5	15,148	16,721	7.3	7.8
Kentucky and Tennessee	75.4	77.9	4,457	3,376	13.3	10.0	1,962	2,027	5.8	6.0
Alabama and Mississippi	62.5	80.6	2,068	1,617	18.1	8.9	1,327	1,330	11.6	7.3
Arkansas	71.5	69.3	1,826	1,720	14.4	13.5	896	1,223	7.1	9.6
Louisiana	67.1	64.1	13,625	12,109	15.8	13.8	726	806	0.8	0.9
Oklahoma	62.4	66.4	7,083	6,010	59.5	50.1	7,254	7,047	61.0	58.7
Texas	54.2	55.2	5,876	8,514	11.4	16.6	3,000	4,288	5.8	8.3
MOUN. and PAC. (Total)	68.7	68.0	51,167	59,359	18.4	21.7	31,712	23,235	11.4	8.5
Idaho and Wyoming	78.5	71.5	310	308	9.5	9.1	342	236	10.5	6.9
Montana	72.6	74.5	374	269	8.0	5.7	452	337	9.6	7.2
Arizona and New Mexico	74.9	66.6	528	609	5.2	6.9	588	812	5.8	9.3
Utah	60.0	54.2	1,969	1,805	17.6	22.3	143	94	1.3	1.2
Colorado	71.8	70.5	1,925	1,775	14.9	13.1	1,633	2,038	12.6	15.0
Washington	79.9	76.1	6,695	5,638	25.7	22.4	5,224	2,696	20.1	10.7
Oregon	62.8	62.3	13,846	12,903	55.2	51.4	11,770	9,348	46.9	37.3
California	67.2	67.9	25,520	36,052	13.8	19.5	11,560	7,674	6.2	4.1
TOTALS FOR UNITED STATES	63.9	63.9	382,789	383,315	17.1	17.2	112,457	108,640	5.0	4.9

(1) Because of the importance of this territory, figures are shown separate from the State total.

GOVERNMENT figures issued at Washington on Oct. 20, and based on reports received by the Department of Commerce, indicate a check in the recession begun in merchandise warehouse occupancy in the first month of the current year.

On this past Aug. 31 the average occupancy percentage was (provisionally) 63.8698 as compared with 63.8695 on July 31. While the difference is almost infinitesimal, the advance of .0003 per cent is perhaps significant because it marks a check in the decline which had been in progress since the beginning of the year.

On the last day of 1930 the average occupancy for the entire country, as indicated by the Department of Commerce statistics, was 70.4. Successive marks were gradually lower—68.9 on Jan. 31; 67.9 on Feb. 28; 66.8 on March 31; 65.9 on April 30; 65.8 on May 31; 64.7 on June 30; and 63.8695 on July 31. In the accompanying table the July 31 and Aug. 31 percentages are not carried out beyond the first decimal point, each percentage being set down as 63.9.

The provisional 63.9 recorded for Aug. 31 compares with the previous year's corresponding dates as follows:

	1928	1929	1930	1931
Aug. 31.....	67.9	71.9	68.4	63.9

The tonnage figures in the accompanying July-August table indicate that in August a slightly larger percentage of goods entered storage (out of total volume received) in the later month.

In August, 491,955 tons arrived at the reporting warehouses; of this volume, 383,315 tons, or 77.9 per cent, went into storage, the balance being delivered on arrival. In July the total arriving volume was 495,246 tons, of which 382,789 tons, or 77.7 per cent, entered storage, the balance being delivered on arrival.

The (provisional) 77.9 for August compares as follows with August of each of the three preceding years:

	1928	1929	1930	1931
August.....	73.5	75.8	78.3	77.9

Occupancy

THE 4.5 per cent average decline in occupancy, for the entire country, this past Aug. 31, from the level recorded on

the previous year's corresponding date, was not reflected in Vermont, New Hampshire, Connecticut, Rhode Island, a small part of the New York metropolitan district, Indiana, Illinois outside of Chicago, Wisconsin, Minnesota outside of the Twin Cities, Missouri, Nebraska, District of Columbia, West Virginia, Florida, Alabama-Mississippi, Idaho-Wyoming, Arizona-New Mexico, and Washington. New Jersey outside the metropolitan district showed no change. No record is available for Maine or Nevada. Elsewhere there were recessions. The following comparisons are available across four years:

	Occupancy—Aug. 31			
	1928	1929	1930	1931
Mass.-Vt.	52.5	57.5	...	...
Me.-Vt.-N. H. ....	...	...	75.0	...
Massachusetts ....	...	...	57.3	54.0
Vt. & N. H. ....	...	...	...	78.5
Conn.-R. I.	64.0	58.7	...	...
Connecticut ....	...	...	63.9	64.6
Rhode Island ....	...	...	45.8	58.4
N. Y. Met. Dist.	72.5	75.3	64.5	62.4
Brooklyn	67.5	71.7	62.7	61.1
Manhattan	78.4	74.9	67.1	62.7
Nearby N. J. and others	77.6	82.1	...	...
Nearby N. J. ....	...	...	66.5	64.4
All other ....	...	...	47.8	64.6
N. Y. State	70.3	72.1	...	...
N. Y. State except Met. Dist. ....	...	...	70.2	60.2
N. J. State	77.0	82.3	...	...
N. J. State except Met. Dist. ....	...	...	57.0	57.0
Pennsylvania	71.3	70.1	66.5	60.7
Ohio	82.1	89.9	78.3	72.2
Indiana	71.8	82.2	74.7	77.6
Illinois	73.4	86.1	...	...
Ill. except Chicago ....	...	...	72.8	75.3
Chicago	74.3	87.7	76.4	69.1
Michigan	72.1	69.0	71.1	66.2
Wisconsin	78.5	92.1	61.4	63.4
Minnesota	70.4	78.5	...	...
Minn. except Mpls. & St. P. ....	...	...	70.6	75.8
Mpls. & St. Paul	67.2	77.4	70.5	66.0
Iowa	65.5	68.2	66.3	58.5
Missouri	77.1	77.3	...	...
Mo. except St. Louis ....	...	...	53.6	71.8
St. Louis	74.5	78.1	68.4	69.2
No. & So. Dakota	84.9	92.8	...	...
North Dakota ....	...	...	69.9	61.5
South Dakota ....	...	...	88.1	72.4
Nebraska	51.6	64.8	56.9	65.9
Kansas	73.2	82.3	74.5	72.8
Del.-Md.-D. C.	59.3	57.5	...	...
Del.-Md. ....	...	...	72.5	57.3
Dist. of Col. ....	...	...	64.1	76.6
Va. & West Va.	68.1	70.7	...	...
Virginia ....	...	...	82.2	73.5
West Virginia ....	...	...	72.6	82.9
No. & So. Carolina	59.4	61.6	69.9	66.1
Ga.-Fla.	70.0	77.2	...	...
Georgia ....	...	...	66.5	...
Florida ....	...	...	63.2	...
Ky.-Tenn.	76.2	73.7	82.1	77.9
Ala.-Miss.	87.1	67.2	71.2	80.6
Ark.-La.-Okla.	67.8	68.6	...	...
Arkansas ....	...	...	73.6	69.3
Louisiana ....	...	...	73.9	64.1
Oklahoma ....	...	...	89.7	66.4
Texas	44.3	50.4	66.9	55.2
Ida.-Wyo.-Mont.	68.6	74.1	...	...
Idaho-Wyo. ....	...	...	58.0	71.5
Montana ....	...	...	77.3	74.5
Ariz.-Utah-Nevada ....	...	...	...	...
New Mexico	74.9	78.7	...	...
Ariz.-New Mexico ....	...	...	65.5	66.6
Utah ....	...	...	84.8	54.2
Colorado	63.4	69.8	75.4	70.5
Washington	55.9	74.8	64.0	76.1
Oregon	68.5	67.8	68.2	62.3
California	74.8	77.1	75.0	67.9
Average for U. S.	67.9	71.9	68.4	63.9
Warehouses reporting. 1213 1226 1415 1394				

Comparing the Aug. 31 occupancy percentages (which are provisional) in the table on the opposite page with those of July 31, it is disclosed that the advance of .0003 per cent as the average for the entire country was not reflected in Rhode

Island, part of the New York metropolitan district, New York State outside the metropolitan district, Ohio, Chicago, Wisconsin, Minneapolis and St. Paul, Iowa, St. Louis, the Dakotas, the Virginias, the Carolinas, Georgia-Florida, Arkansas, Louisiana, Idaho-Wyoming, Arizona-New Mexico, Utah, Colorado, Washington, and Oregon, in all of which there were declines. Massachusetts was unchanged.

Tonnage

AS already pointed out, the percentage of volume which entered storage in August, out of the total arriving tonnage, was smaller for the 1931 month than in August of 1930, the decline being four-tenths of 1 per cent for the entire country. By divisions the comparisons across four years are as follows:

	Percentage Entering Storage—August			
	1928	1929	1930	1931
New England	79.5	72.8	78.5	71.2
Middle Atlantic	79.6	85.9	90.8	87.8
East North Central	87.0	87.2	82.1	81.9
West North Central	71.4	73.4	74.6	74.2
South Atlantic	41.8	42.5	75.8	74.8
East South Central	78.7	72.5	72.1	59.8
West South Central	78.2	79.8	75.7	68.0
Mountain	58.5	52.7	60.2	57.5
Pacific	69.4	73.7	67.8	73.5
Entire country	73.5	75.8	78.3	77.9
Warehouses reporting. 1213 1226 1415 1179				

Comparing this past August's (provisional) percentages with those recorded for July, it is found that an advance of 0.2 per cent was recorded for the entire country, although there were recessions in all except the South Atlantic and Pacific sections. The comparisons by divisions for the two months follow:

	Percentage Entering Storage—1931		
	July	Aug.	Change
New England	78.2	71.2	— 7.0
Middle Atlantic	87.9	87.8	— 0.1
East North Central	83.8	81.9	— 1.9
West North Central	75.3	74.2	— 1.1
South Atlantic	73.6	74.8	+ 1.2
East South Central	66.6	59.8	— 6.8
West South Central	70.5	68.0	— 2.5
Mountain	61.8	57.5	— 4.3
Pacific	61.7	73.5	+ 11.8
Entire country	77.7	77.9	+ 0.2
Warehouses reporting 1178 1179			

Fumigation Folders

The Calcyanide Company, 60 East 42nd Street, New York City, makers of the calcyanide fumigant, has made available to warehousemen interested in fumigation a series of folders dealing with the firm's product. One is on the subject of penetration of the gas into boxes, bales, sealed cartons, bags and other containers. Another discusses protection against insects and rodents. A third touches on the use of calcyanide in the storage of tobacco, flour, furniture, candy, cereals, woolens, seeds, furs and other commodities. Copies of the folders may be obtained free by addressing the company.

When you ship goods to a fellow warehouseman—use the Monthly Directory of Warehouses.

California Lines Erecting Terminal

Completion of the first unit of a centralized freight terminal for a combine of Oakland, Cal., motor transport lines is expected by Jan. 15.

The structure, now being erected on the Oakland western waterfront, will cost \$150,000.

Announcement of the building activity follows permission from the California State Railroad Board for completion of the merger of five Oakland motor freight companies. They are the Merchants Express, the Consolidated Motor Transport Co., the Drayage Service Co., the Commercial Dispatch Lines, Ltd., and the Pacific Freight Line Terminals Co. The name for the latter firm is a substitution for a concern originally named Oakland Warehouse Terminals. The merger has been in process for more than a year.

The merged firms are to become part of the Pacific Freight Lines system, which in turn is a subsidiary of the United American Utilities Corp., a \$60,000,000 concern owned by the A. E. Fikin interests.

Grand Rapids' Blaze

In the most disastrous fire which Grand Rapids, Mich., has experienced within the past year, a warehouse operated by the Columbian Storage & Transfer Co. at 101-111 Logan Street, Southwest, was swept by the flames on Oct. 4.

Newspaper accounts placed the estimated loss at \$120,000. Building and contents were insured.

The contents destroyed were furniture and other house-furnishing materials and exhibits intended for observance of National Home Furnishing Style week.

New North Carolina Firm

The Public Bonded Warehouse Co. of Rocky Mount, N. C., has filed a certificate of incorporation, with authorized capital stock of \$10,000, to operate one or more public storage warehouses. Stock amounting to \$300 was subscribed by R. B. Davis, J. J. Richmond and A. G. Spencer.

Trenton Blaze

Fire of undetermined origin destroyed eight rooms and contents in a portion of a household goods warehouse of A. V. Manning's Sons at 28-32 Bank Street, Trenton, N. J., on Sept. 28. The loss was estimated at several thousand dollars.

Long Hauling by Redman

The Redman Van & Storage Co., Salt Lake City, Utah, has entered the long-haul business and is now operating a fleet of vans between Salt Lake City and California, the Pacific Northwest and Denver.

Safety in Power Plants in Cold Storage Warehouses

Precautions Will
Prevent Mishaps

By T. A. ADAMS

IT is the duty of the executive of a company operating a power plant to take every possible precaution to prevent accidents. An executive must consider it his responsibility to seek out the dangers to the lives of his employees. It is his duty to act immediately upon the discovery of these dangers.

If we know how to save a life and if that knowledge is not given to our employees, we are responsible for the life lost throughout neglect.

The executive must provide every mechanical means for the avoidance of accidents. He must do more than this—his employees must be chosen for physical fitness and qualifications for the work, and they must be taught and drilled in the most modern methods of care, and be continually reminded of their personal responsibility for the safety of themselves, their fellow-employees and the plant.

Any power plant offers many possibilities of accidents,

because of the use of high pressures, and because of the moving parts of machines. All the precautions necessary in the ordinary plant are doubly necessary in the power plant of an industry employing gases under high pressure. A broken water pipe may be a serious thing sometimes—but an ammonia break is always a potential hazard not only in the plant but throughout a considerable area around the plant. This fact increases the need for care, and measures for safety are required which would be uncalled for in the ordinary plant.

Because of the danger from ammonia leaks I am strongly opposed to direct expansion of ammonia in the cold storage rooms. The greater the quantity of gas in use and the greater the distance it travels from the power plant, the more likelihood there is of serious accident. Aside from a possible property damage from leaks, the use of brine is absolutely safe. I believe that ammonia should be confined to the power plant.

Compressors

IN order to prevent dangerously high pressures in the ammonia compressors, pressure relief valves [Fig. 1 and Fig. 2 in the photograph on this page] should be installed on both high pressure and low pressure sides of the compressors, between the cylinder and the

discharge stop valve. These valves should be set to open at given pressures. In case compressor is started while the stop valves are closed, or in case the stop valves are closed while the compressor is running, the pressure relief valves automatically open and discharge into the low pressure system.

Limiting Device

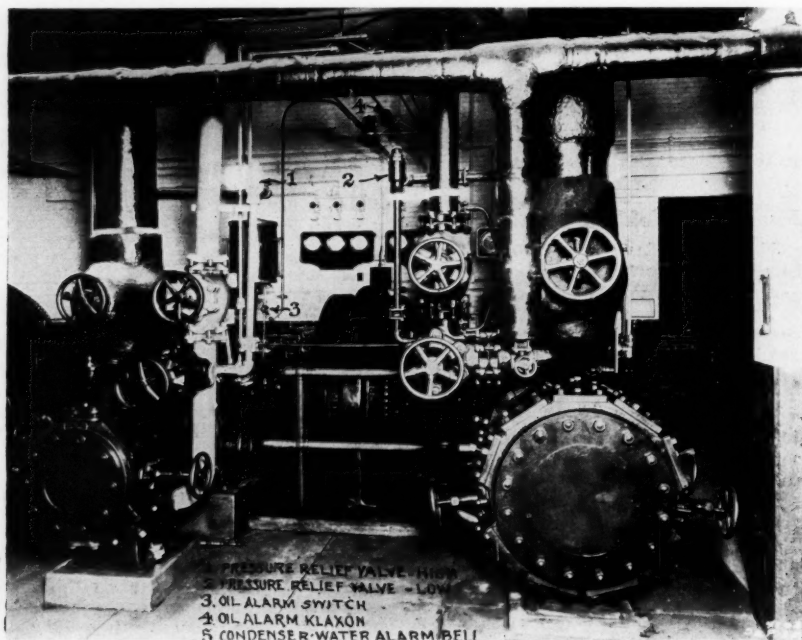
THE loss of condenser water or the accumulation of foul gases in the condenser may cause dangerously excessive pressures. These excessive pressures would operate the pressure relief valves, but the addition of a device called "pressure limiting device" avoids the necessity for the action of the pressure relief valves.

The pressure limiting device is a pressure controlled switch for automatically stopping the operation of the ammonia compressors, at a lower pressure than the setting of the high pressure relief valves. [See illustration on this page.]

Lubrication

CARE should be used in the selection of lubricating oil for ammonia compressors. It should be capable of withstanding a high flash test, and at the same time flow freely at low temperature. An oil of low flash point would be dangerous on account of the high temperatures due to compression. An oil that congeals at low temperatures would, of course, be unfit for use.

Main bearings, cranks and crossheads of the compressor and any other moving parts of machinery lubricated by the gravity system should be so designed that failure of the oil pump to pump oil to the reservoir through breakage of the pump belt or other cause would be made known by the ringing of an alarm [Fig. 3 and Fig. 4 in the photograph at the left.]



The power plant of a modern cold storage warehouse

Remote Control

AUTOMATIC devices may fail or an accident may occur which the automatic devices cannot prevent. For this reason it is necessary to have a manual control at a point easily accessible from outside of the machinery room, preferably at the door of the machinery room. This device, called a "remote control switch," is used only in case of serious fire or accident. Prominently placed, easily read signs should be hung to direct attention to the location of this switch.

Gages

AMMONIA level gage glasses should have automatic closing gage clocks and should be protected by wire mesh or slotted steel casings.

Rotating Parts

ROTATING parts of all machinery should be guarded by railings or gratings.

Air Compressors

EXPLOSIONS occur in air compressor receivers usually because of the super-heating of oil and of impurities in the air by the heat of compression. The ignited mixture of oil and dust is carried over into the receiver from the compressor and explodes the oil already in the receiver.

To guard against such an explosion the receiver should be made to comply with the standards of the American Society of Mechanical Engineers. A pressure relief valve should be installed, set and locked.

The air should be taken from outside the building at a high point, away from gasoline or other fumes. An air filter should be attached to the intake to prevent dust from entering the intake pipe.

Pressure Shells

PRESSURE shells such as condensers, receivers, intercoolers, separators, brine coolers, evaporators, or any other vessel under pressure, should be equipped with pressure relief valves of the type already described. These relief valves should discharge into the air above the roof, or into that part of the low pressure side of the system protected by the ammonia mixer.

Withdrawal of Ammonia

IN extreme conditions of fire or of breakage, it is sometimes necessary to discharge all of the ammonia in the system into the sewer. It would be a dangerous thing to discharge the ammonia without thoroughly mixing it with water.

For this purpose an ammonia mixer should be connected with the water supply and with the low pressure side of the system and also with the sewer. The ammonia mixer may be a steel cylinder, made of 8-inch or 10-inch pipe, depending on the capacity of the plant. Such a mixer is controlled by manually operated valves, which when open mix the ammonia with water and discharge the mixture into the sewer. The valves are opened only in case of fire or serious

THE accompanying paper was read at the twentieth annual Safety Congress, in Chicago on Oct. 15.

Mr. Adams is chairman of the Manhattan Refrigerating Co., New York; the Union Terminal Cold Storage Co., Inc., Jersey City, and the Kings County Refrigerating Co., Brooklyn, and is chairman of the Warehousemen's Protective Committee.

break. The water pipe connected with the ammonia mixer should have a check valve between the mixer and the manually operated water valve. The check valve should be set against the ammonia pressure.

Failure of Condenser Water

IF the condensing water is cut off from the condensers through failure of pumps or other causes, the ammonia pressure in the condenser will become excessive. It is important that the failure of condenser water should be made known to the engineer in charge immediately. For this purpose a condenser water alarm [Fig. 5 in photograph on page 18], sounding through a Klaxon or bell, should be installed.

Electric Equipment

THE use of combustible materials in the insulation of electrical transformers and machinery is generally unavoidable. The combustible material so used may become a fire hazard if the operating temperature of the electrical apparatus becomes abnormally high owing to overloads, internal short circuits, or because of inadequate or interrupted ven-

tilation. Transformers, whether oil insulated or of the dry type, should be installed in the manner prescribed by the National Electrical Code, Articles 11 and 50.

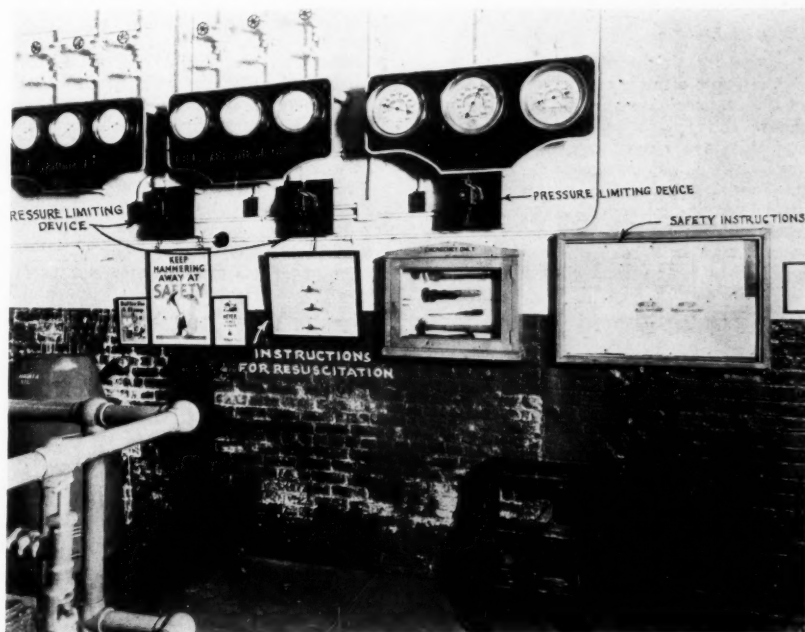
For indoor installations the transformer vault should also be divided so that each transformer is placed in a separate fireproof enclosure provided with automatic fire door equipped with fusible links. These doors will automatically close in the event of fire. Each enclosure should be connected with a ventilating duct so that the heat of ordinary use of the transformer may be quickly led away to the outer air. An automatic fire door with a fusible link should be installed in the ventilating duct at each opening into a transformer enclosure. In case of fire in a transformer, the duct door will also close and confine the fire to the one enclosure and exclude air, thus smothering the flames.

Each enclosure should have floor drains to discharge the oil into the sewer or buried tank in the event of fire. A door sill of ample size should be provided for each enclosure to hold the oil within the compartment.

Transformer vault doors should normally be closed and locked, and only qualified persons should be permitted to have access to them.

Switchboard Protection

SWITCHBOARDS should be "dead front" and should be so placed as to leave safe working space on both sides. The live side should be protected by wire screen and should be accessible only to those in charge. Oil switches should be inspected at least once a year. The oil pot should be dropped because the contacts are not visible while submerged. The oil should be examined as to cleanliness and quantity. The contacts should



Pressure limiting devices, tools, safety instructions

be cleaned and adjusted. Rubber matting at least 38 inches wide, should be placed before the switchboard for its full length.

As a protection when testing fuses or circuit, a test lamp box should be used. This box should contain enough lamps in series to equal the highest operating voltage. The box should be placed on the floor some distance from the switchboard while the engineer is testing. If a lamp explodes, its glass is confined to the box.

Inspections

MONTHLY inspections of electrical machinery in the power plant and other buildings should be made by the chief electrician, and his findings and recommendations should be reported on printed forms, which forms enumerate all electrical equipment.

Machinery Room

IN order that air in the machinery room may be quickly freed from escaping ammonia, exhaust fans should be installed with ducts in the machinery room leading to the outer air, at a high point. Ample window space, door or shaft ventilation to the roof is advisable, whether or not an exhaust fan is installed.

No Open Flame

BECAUSE of the fact that ammonia gas, when mixed with a certain proportion of air is highly explosive, no illuminating gas, blacksmith's forge, or other flame should be permitted in the machinery room. If boilers are installed in the power plant, they should be in a fireproof enclosure, supplied with air through ducts from outside.

Exits

MORE than one exit from the machinery room is necessary so that the men will have more than one way out in case of a break or explosion.

Electric Lighting

IF the lighting system is taken from the same electric service as the power system, a breakdown in the system would throw the entire plant into darkness, and this is a situation to be avoided at any cost. A separate, independent electric service from the power company would provide current for such an emergency. This service need be used only in a small way, except in cases of a breakdown to the main electrical system.

Pipe Coloring

THROUGHOUT the machinery rooms a system of pipe coloring should be employed to distinguish from one another the different purposes of the pipes. Arrows painted on the pipes would show the direction of flow. The pipes may be painted as follows:

High pressure ammonia pipes—red.
Low pressure ammonia pipes—black.
Brine pipes—black with colored bands.
Water pipes—green.
Electric conduits—white.

This avoids delay in emergencies and is convenient at all times. All valves should be labelled with metal tags to indicate what they control.

Ammonia Masks

THE United States Bureau of Mines has investigated the designs of ammonia masks and has published a list of the manufacturers whose products it approves. A sufficient number of such masks should be located in the machinery room, and another set at a place outside the powerhouse. Additional canisters should be kept in reserve. Monthly inspections and tests of the masks should be made, and all parts kept in proper condition.

Fire Protection

FIRE extinguishers of the carbon tetrachloride type and of the carbon dioxide type, both approved by the National Board of Fire Underwriters, should be installed in the machinery room and other places where there is electrical machinery. The extinguishers should be mounted at points easily accessible from any part of the room and where they may be easily seen. The practice of hanging clothing over wall-mounted fire extinguishers, or of obstructing access to extinguishers by piling material in front of them, should be avoided.

Carbon tetra-chloride is a non-conductor of electricity. It does not freeze but gives off large quantities of irritating and suffocating fumes when it comes in contact with heated surfaces or burning material. Certain types of gas masks are effective in protecting against these fumes and should always be worn when carbon tetra-chloride extinguishers are used in confined spaces.

Carbon dioxide extinguishers consisting of portable cylinders with appropriate hose and nozzle fittings are now available. Carbon dioxide gas is a non-conductor of electricity, does not freeze

and is a very effective extinguishing medium for oil fires or fires in electrical equipment. It is necessary to use a non-conducting extinguishing medium because of the danger of electric current following the stream and killing or injuring the person using the extinguisher. The use of conducting fluids in extinguishing fires in close proximity to energized conductors might cause short circuits which otherwise would not occur.

Emergency Measures

CABINETS containing wrenches, hammers, screwdriver and other tools that will suggest themselves, and a medical cabinet containing bandaging materials and antiseptics should be installed in the machinery room. The tool cabinet should be covered by glass doors so that all of the tools may be seen. [See illustration on page 19.]

As much care should be given to the cleanliness and to the completeness of the first aid supplies as would be given in a hospital. *The danger from infection caused by improper dressing of wounds is often more serious than the injury itself.*

The precautions and devices of which I have spoken may be of no value whatsoever unless the men employed in the power plant are trained for safety, and have been taught the necessity for care. The ammonia mask is a protection when it is in proper order and contains fresh chemical. It is an added cause of trouble when it is not in perfect condition, and if it is not properly adjusted. For this reason it is necessary to put the men through monthly drills in caring for, adjusting and using masks.

Sometimes a man's breathing is stopped when he becomes unconscious from the effects of ammonia gas before he is able to get a mask, or a similar condition may be produced by electric shock. In such cases the man may be restored just as a man is restored from the unconsciousness preceding death from drowning. The Schaefer prone pressure method of resuscitation advocated by the American Red Cross is one of the simple means of restoration. It should be taught to every employee of the power plant and occasional lectures and demonstrations given by an expert. Drills in resuscitation should be held monthly, and each employee should be obliged to act both as subject and as operator.

Unemployed?

A No-Cost Service

Any storage executive or employee who is out of a job during this period of depression, or who is threatened with loss of his position, or who desires to make an advantageous change, may, *without cost*, insert a "Position Wanted" advertisement in *Distribution and Warehousing*.

Such an "ad" will be a "blind" one. All correspondence will be kept confidential.

Send your advertisement to *Distribution and Warehousing*, 249 West 39th Street, New York City.

A Three-Price Service Is Quoted by Denver Firm

By WILFRID REDMOND

Logan Rate Plan
Builds Business

SEVERAL industries which have come down through the years operating on a one-price basis have recently been debating the advisability of changing the old order of things.

In the dry cleaning field agitation has been going on for several years about adopting a two-price plan of service. In some of the leading plants today it is possible to have your suit cleaned and pressed for \$1.50 or \$1, the price depending on the service desired.

The Logan Moving & Storage Co., Denver, has recently introduced the same idea, applied to furniture moving, in the Rocky Mountain region. The plan has since been adopted by a second transfer house.

The standard price for moving in Denver is \$3 an hour. The Logan Moving & Storage Co. has, for several months, been offering a \$2.50 and a \$2 rate as well. The plan and the justification for it are given by J. M. Oakey, manager of the company.

"A frequently repeated incident in our office, before we adopted our three-price service plan," says Mr. Oakey, "ran something like this:

"The moving prospect, looking through the window, noted a \$5,000 van at the curb. Through a side window he could see a large open truck standing idle—a \$1,000 piece of equipment. He immediately made the supposition that the truck represented a cheaper service. He asked us about it. About all we could say in defense of our \$3 price whether we used the \$5,000 van or the \$1,000 truck was that the operating overhead on both was about the same. If the customer had seven rooms of furniture, the van could move him cheaper than the truck—capacity four rooms. The man with three rooms of furniture paid just as much of our overhead as the customer with seven rooms of household goods. And the neighborhood in which we are located and from which we draw the major share of our moving business is essentially one of three and four-room homes.

The Three-Price Plan

"The plan we devised to give every customer a service in keeping with the size of the load is this:

"The big van, \$3; a large truck or small van—capacity three to four room

—\$2.50; a small truck—capacity two rooms—\$2.

"We do not advertise these three services. The customer learns of them for the first time when he comes to us. They require an explanation that can be given adequately only by talking the problem over with the customer. When we are asked our rates we give the \$3 and \$2.50 quotations only. We do not mention the \$2 price unless the customer has a small load.

"In not advertising our three-point service we foresaw that the moving prospect, reading our \$2.50 offer, would often have his mind made up before he came to us. If he had seven rooms of furniture the \$3 offer would be cheaper. The big van would take the load in one trip; the small van or big truck would make it in two. The prospect who had read an advertised offer would often be of the opinion that we had held out the \$2.50 price as bait, then used it to sell our \$3 service. As we do not advertise the three-point service we can talk it to the moving prospect freely when he calls on us."

Selling the Big Van Jobs

"When we quote our two rates," according to Mr. Oakey, "the customer often declares, 'I'll take the truck,' or 'The small van will do.' If he has more than four rooms of household goods we are invariably able to show him that the big van with the \$3 rate will save him money. Considerable \$3 work has come to us this way, especially since our three-point service has become known through customer circulation."

Many of the \$3 customers are former patrons of cut-rate movers, brought in by news of the \$2.50 offer, and sold for the first time a first-class moving service.

"Under the old standard price policy," asserts Mr. Oakey, "the customer would select the big van every time and complain if we sent him a truck or a small van. The result was that our truck and small van equipment was not in use considerable of the time and our big van was taking all the depreciation. All the wear was on our most expensive equipment. Since the change the depreciation is more evenly divided throughout our equipment."

As the company moves furniture exclusively there was no opportunity under

the old plan to keep the smaller equipment in operation on merchandise hauls, as many competing houses were able to do. The fact that the firm operated from a neighborhood location also restricted activities.

The firm invariably inspects a moving job before sending a van out.

"Someone from the office is usually out on an errand somewhere," says Mr. Oakey, "and makes the inspection calls en route. One of our more frequent reasons for inspecting a job before we send a van out is that we are doubtful about the customer's estimate of the load that he has asked the \$2.50 rate on. We quote him the price tentatively, go out and look it over, and often find he has five or six rooms of furniture that he can save money on by using the big van and the \$3 rate."

The graduated plan was submitted to the Movers & Warehousemen's Association of Denver by James P. Logan, president of the company, as a possible solution of the problem of stimulating business during the depression. Mr. Logan received the support of the association in his position to be allowed to give the plan a trial.

In presenting his proposal Mr. Logan made the point that new business brought in by the \$2.50 and \$2 rates at this time would, to a large extent, be retained when prosperity returned, and the \$3 rate was adopted as the single standard again. Mr. Logan also informed the association that a survey of his neighborhood showed that many people were doing their own moving on Sundays with nondescript trucks and delivery cars provided them by friends. Much of the business, he declared, could be diverted to movers by adoption of three-point service.

The First Three Months

During the first three months the company operated under the graduated rate plan 75 per cent of the moving jobs were sold at the \$3 rate. The other 25 per cent were \$2.50 jobs. The \$2 jobs were negligible. The ethical manner in which Mr. Logan respected the rules of competition was demonstrated by the fact that not one member of the association reported losing a \$3 job to the Logan Moving & Storage Co. by reason of the firm's adoption of the three-point service plan.

Contract Law for the Warehouseman

Forty-sixth of a Series
of Legal Articles

By LEO T. PARKER

Attorney-at-Law

IT is well known that almost all of the legal controversies over stored goods involve contract law. For this reason warehousemen may well afford to devote time to, and take particular interest in, reviewing the cause and outcome of contract litigations in which other warehousemen have become entangled.

It is admitted that litigation is expensive and otherwise unprofitable. Obviously, information of recent higher court cases may be advantageously utilized by warehousemen to eliminate legal controversy; and when litigation is unavoidable, accurate legal knowledge may

importantly assist in the winning of a favorable decision.

Therefore the purpose of this article is to discuss the most important and recent higher court cases involving unusually interesting phases of contract law, especially such contracts that require daily attention of warehousemen.

In order that the value of the article will be enhanced, the general law of each subject will be explained, together with the cause, outcome and parts of the Court's opinion, so that readers may readily comprehend the reason of each decision.

FIRST, it is important to know that a legal contract is an agreement between two or more parties by which each party is obligated to do something, not prohibited by law, within a specified period.

It is not necessary that the ordinary contract be in writing, and it may be either expressed or implied.

An expressed contract is one where the terms of the agreement are stated in so many words.

An implied contract is where the law presumes a promise on the part of the party benefited, to perform a service for the other party.

Another important point of the law is that if a contract with a warehouseman contains an express clause as to the charges and expenses which the patron shall pay, the latter is bound by the agreement. On the other hand, in the absence of a special contract there is an implied contract on the part of the patron to pay the customary charges for storage and expenses, or such reasonable charges as warehousemen of like capacity and facility are entitled to. Moreover, if the owner of the goods knows the usual charges of the warehouseman for similar service, he is obligated to pay such charges, although the same appear to be unusually high. However, if there is controversy or doubt about the implied or expressed contract, it is the duty of the jury to consider all of the testimony submitted and to render its verdict accordingly.

For instance, in *Montgomery v. Berry*, 121 S. E. 853, a warehouseman accepted goods for storage. Later the warehouseman notified the owner of the merchandise that the storage charges would be

increased. Controversy developed over payment of the increased charges and the warehouseman filed suit. He testified that there was no express agreement as to the price of storage at the time when the goods were stored, nor any understanding as to the price of storage remaining the same until delivery of the goods. There was no evidence as to any established custom among warehousemen not to increase the charges on merchandising already stored. The warehousemen contended that after having given to the customer written notice that he would increase the storage rates to the amount claimed, he was legally entitled to payment on the basis of the increased charges.

The owner of the goods argued and testified that when the goods were accepted for storage the warehouseman had verbally agreed to charge a specified storage price. Notwithstanding this contradictory testimony, the Court directed a verdict in favor of the warehouseman. However, the higher Court reversed the decision, saying:

"The evidence for the defendant [customer] showed that he expressly protested against the increase by reminding the warehouseman of his previous alleged contract. . . . The evidence as to the main point in issue, that is, as to what the contract of storage actually was, being thus in conflict, it was error to direct a verdict for the plaintiff [warehouseman]."

Liability

THE law of implied contracts makes a warehouseman liable for conversion of property stored, if without authority he delivers it, either negligently, inten-

tionally, or by mistake, to one not entitled to it. Moreover, he is liable, although the mistake was not due to want of ordinary care and prudence on his part.

In other words, although a warehouseman is not ordinarily liable for damage, loss, theft or destruction of stored goods, unless his negligence resulted in the loss, yet he is liable for all innocent or unintentional mistakes resulting in delivery of the goods to any party except the owner.

For example, in *Strong v. Security Storage & Warehouse Co.*, 177 N. Y. S. 594, it was shown that, by mistake of an employee, certain stored goods were delivered to a person not the owner. Later when the owner called for the merchandise the warehouseman explained that in some manner the goods were delivered to another person who had in storage a similar kind of merchandise. Notwithstanding this excuse the Court held the warehouseman liable, stating the following important law:

"The defendant [warehouseman] knew that some one beside the railroad company was the owner of the goods, and that it was acting as bailee for that owner. . . . A warehouseman is liable directly to the owner under these circumstances, and not to the railroad company. The liability for the wrong delivery is an absolute one, and is not dependent upon the exercise of care. . . . A liability attaches where there is negligence, unintentional delivery, or mistake. . . . Warehousemen are not only liable for losses occasioned by their negligence, but for those which arise from an innocent mistake in the delivery of goods to persons not entitled to receive them."

Receipt Signatures

ALTHOUGH it is well settled that the Courts will, under circumstances previously explained, imply the existence of legal contracts, yet it will not be done if the result would be unjust or an imposition on one of the contracting parties.

For illustration, the holder of a warehouse receipt is not ordinarily bound by its contents, unless he signs or otherwise acknowledges the provisions thereof, although he accepts it from the warehouseman. The latest case involving this point of the law is *Goldstein v. Harris*, 130 So. 313.

In this case the suit involved a receipt given by a bailee to the owner of stored property. This receipt read:

"In case of loss by fire or theft, we reserve the right to replace this article with one equal in value at time received by us. The acceptance of this receipt will be considered the acceptance of the conditions above."

On April 2 the storage warehouse burned and the contents therein were destroyed. The bailor, or owner, filed suit against the bailee to collect the value of her destroyed merchandise. The bailee attempted to avoid liability on the contention that acceptance by the patron of the above receipt gave the former the privilege of supplying the patron with merchandise equal to the value of the goods received for storage. However, the Court held the bailee liable for full value of the merchandise, saying:

"There was no evidence proving or tending to prove that plaintiff [bailor] ever accepted the terms of the receipt issued by defendant, or that she ever knew its contents. On the contrary, plaintiff testified positively that she did not know the contents of the receipt. The receipt was nothing more than a check not purporting to be a contract between the parties and therefore plaintiff was not bound by the unknown terms printed thereon."

A Leaky Roof

THE law is well established that a warehouseman may reduce his legal or common law liability by having his customers sign contracts or warehouse receipts limiting the liability, providing the damage does not result from negligence by the warehouseman or his employees.

On the other hand the Court may imply liability on the part of the warehouseman where the cause of the injury is not clearly exempt by the terms of the contract.

While it is true, as a matter of law, that, in the absence of a contract or statute, a warehouseman is not an insurer of the safety of goods while in his care, yet he is required to exercise a reasonable degree of care for their protection, and is liable for any loss or damage resulting to the goods from his negligence or failure to exercise due care. Upon acceptance of the goods he impliedly, at least, warrants that he will use a degree of care reasonably sufficient to preserve the property stored.

This rule is applicable irrespective of

ordinary contracts by which a warehouseman intends to limit his liability.

For instance, in *Hansen-Rynning v. Washington Co.*, 209 Pac. 462, it was disclosed that a warehouseman issued a warehouse receipt which contained the provision that he should "not be liable for any loss and damage from fire, floods, rats, the elements, defective packing, or inherent tendency to decay or ignite."

The stored goods were damaged by water which leaked through a defective roof. The warehouseman contended that the foregoing provision in the contract relieved him from liability. Notwithstanding the clause, the Court held the warehouseman liable, saying:

"The defendant was acting in the capacity of warehouseman, and received and stored the goods for an agreed compensation, and as such was a bailee for hire, and became liable to the plaintiff [patron] for any loss or injury resulting through its negligence to the goods while in its possession. . . . It was the duty of the warehouseman to keep the roof of its warehouse in repair so that injury could not result to the goods while in its custody, and if by the exercise of

Next Month

THE law of warehouse receipts will be discussed by Mr. Parker in the forty-seventh—to appear in the December issue—of his series of legal articles.

Exercise of care by purchasers of receipts; assumed obligations; replevin; forgery; printed notices—these and other phases will be considered.

such care as a reasonably careful owner of similar goods would have exercised the defendant [warehouseman] could have anticipated the leak in the roof, or by the exercise of such care could or would have discovered the leak in time to repair the roof, or remove the goods to a place of safety before injury to the goods had resulted therefrom, and failed to exercise such care, then the defendant [warehouseman] would be liable for the resultant injury."

Storage Charges

A COMMON question presented the Courts is whether a warehouseman is entitled to receive from a patron storage charges for goods destroyed while in the warehouse. It is important to know that this question has been answered in the affirmative, although the goods were destroyed by negligence of the warehouseman.

For example, in *Diamond Storage Co. v. Klock Produce Co.*, 189 Pac. 257, a customer sued a warehouseman for the value of cheese destroyed while in storage. The Court held the warehouseman negligent and liable for the value of the cheese.

The customer refused to pay the storage charges on the ground that the ware-

houseman had breached the implied contract to exercise care to safeguard the merchandise against injury. However, the Court held the warehouseman entitled to recover the storage charges, saying:

"When the storage company refused to surrender the cheese on its demand, the produce company elected to treat the refusal as a conversion and sue for its value. It did so, and recovered a judgment for such value which the storage company paid. . . . The storage company made good to the produce company the losses the latter sustained by its breach of performance. After these losses were made good the produce company stood in the position in which it would have stood had the stored article been returned to it in due course and without injury. In other words, if a warehouseman, storing goods for another, makes good to that other all losses caused by his negligent storing, it is equivalent to a proper delivery, and entitles him to his storage charges."

A Release Clause

IT is interesting to observe that any carrier which accepts goods which require special care in stowage, or transportation, on failure to exercise such care, is liable for resulting damage. So held the higher Court in the late United States case of *Kerlew*, 43 F. (2d) 732.

The facts in this instance are that certain shipments of sugar were refused by a common carrier because of the frail nature of the packages containing the sugar, until letters of indemnity were given by the shipper relieving the carrier from liability for loss. The shipper received clean bills of lading falsely stating the good order and condition of the sugar.

During the transportation period a large quantity of the sugar was damaged because the cases were too fragile. The consignee sued the carrier for the value of the damaged shipment. In holding the carrier liable the Court said:

"The shipments were refused because of the frail nature of the packages until the letters of indemnity were given; so he [carrier] certainly knew that the statements in the bills of lading 'shipped in apparent good order and condition' were not true, and considered the sugar to be in such an unsatisfactory condition and likely to become seriously damaged that he wanted protection. . . . A carrier, who accepts goods of a nature which requires special care in their stowage, must exercise such care, and, failing to do so, is liable for the damage caused thereby, even where the character of the damage is within the exception from liability contained in the bill of lading."

Breach of Contract

ACCORDING to the well established law, where one of two contracting parties breaches a valid expressed or implied contract, the other party may without liability refuse to fulfill his obligations. This important point of the law was upheld in the recent case of *Hughes v. Rendle Corporation*, 171 N. E. 236.

The facts are that an owner of motor

vehicles entered into a contract by the terms of which he agreed to haul goods during the entire year for 85 cents a ton. The contract provided also that the hauler should be paid *in full* within five days from delivery of each shipment. The patron paid only \$400 of the hauler's bill of \$568.23 for a shipment, and the latter refused to transport other merchandise at the price of 85 cents a ton, on the contention that the patron had breached the contract by failure to pay the entire amount of \$568.23 within five days.

It is interesting to observe that the higher Court held the hauler not required to continue during the balance of the year to haul merchandise at the contract price. This Court said:

"Was the failure of the company to pay \$168.23 of the \$568.23, which the contract in express terms provided should be paid 'in full within five days from final delivery of each shipment,' a breach so important as to warrant the hauler in refusing to deliver the remaining part of the merchandise? We think the failure of the company to pay so large a part of the total sum payable and due was not a trifling breach of the contract but was a substantial one. . . ."

Contract of Sale

THE law of contracts is well settled that if a claim or a debt is disputed by a debtor he is relieved from further payment, providing the creditor accepts payment in cash or by check marked "in full". However, if the debt is not disputed the creditor may accept any amount which the debtor pays and sue for the balance due on the account.

This established legal rule applies with respect to an implied or expressed contract from which a debt arises.

For illustration, in *Scott v. Wilmeroth Service & Cold Storage Co.*, 292 Pac. 99, it was disclosed that a purchaser approached a warehouseman and agreed to buy seven carloads of apples at a stipulated price. The warehouseman communicated with his patrons, who had apples stored in his warehouse, and offered a specified price for them. Several of the patrons accepted the warehouseman's offer.

Later the purchaser refused to take the apples off the warehouseman's hands, and the latter, without communicating with his patrons, shipped the apples to a nearby city and sold them on the open market. The warehouseman then mailed checks to his patrons for the amount which he had received for their respective accounts.

The patrons sued the warehouseman for the difference between the contract price and the amount they had received. The warehouseman endeavored to avoid liability on the contention that the purchaser had breached his contract and, also, that when a creditor accepts a payment no further liability exists on the debtor.

However, the Court held the warehouseman liable in damages to his patrons for an amount equal to the difference between the price which he had agreed to pay and the price which

the owners of the apples received. This Court said:

"The apples were at all times the property of the growers. They authorized their sale at a certain price. The appellant [warehouseman] did not sell them at the price authorized, but at a lesser price. Manifestly, the owners did not, by receiving the price at which they were sold, waive their right to recover damages caused them by the breach of the agreement. The facts do not present an instance of a disputed account, where one party tenders a sum in satisfaction of the dispute and the other accepts it. The money received from the sale of the property was at all times the money of the owners of the property, and payment and acceptance of the money is not a waiver of the right to recover for the wrongful act in making the sale."

Therefore it is apparent that a warehouseman cannot avoid liability on a valid contract, made with a patron, by presentation of an excuse that another person breached a contract related to the same subject-matter, unless, of course, the patron agreed to this limitation when the original contract was made.

Surety Contracts

FREQUENTLY warehousemen have occasion to act as a surety, furnish bond, or obtain signatures to papers to guarantee themselves against losses on notes, storage charges, and the like.

Inasmuch as contracts assumed by sureties usually represent major obligations, it is important to know that a surety is automatically relieved from liability or further obligation if any material part of the original contract between the two principals is varied without consent of the surety. Obviously, therefore, a surety is relieved of responsibility if either party performs an act, resulting in necessity of payment, where it is shown conclusively that such act was not within the scope contemplated by the provisions of the bond.

Often the question is presented the Courts as to whether a surety or bonding company for a warehouseman is liable for acts of the warehouseman not performed in the usual scope of the business of warehousing.

For instance, in *Indemnity Co. v. Archibald*, 299 S. W. 340, it was disclosed that an insurance company was surety on a bond guaranteeing that a forwarding company would "faithfully perform its duty as a public warehouseman, in accordance with the law."

Controversy developed when the forwarding company misappropriated \$960 collected from a c.o.d. shipment made from the warehouse stock by authorization of one of its customers.

The customer sued both the forwarding company and the insurance company to recover the amount of the c.o.d. shipment. The insurance company contended that the act of the forwarding company in shipping the goods and collecting the c.o.d. charges was not within the legal duties and authority of a warehouseman.

However, the Court held the customer entitled to a recovery and said:

"The duties of the Southern Forward-

ing Company to ship the c.o.d. packages, to collect for same, and to remit the sums collected, are only contract or assumed duties, and duties created by long-established customary usage. Any person who by virtue of his office or employment receives into his custody money of his principal must account for the same, and his failure to do so constitutes a breach of trust; and if such person has given bond for the faithful performance of his duties, both he and his sureties are liable and may be sued. The handling of c.o.d. packages, while not prescribed as a duty of a warehouseman, was not prohibited by any statute; it was in direct line and in furtherance of its own business, and according to the evidence, was in line with other warehousemen, and was customary and usual."

Co-Sureties

IT is well settled law that where two or more parties become liable for the same obligation, even though on separate papers in separate contracts, as between themselves they are co-sureties. Moreover, the person who has the right to enforce the obligation may enforce it in its entirety against either of the co-sureties, and recover a judgment against either surety. If he fails to get the entire amount, or cannot collect any part of it on account of the insolvency of the co-surety, he may then sue the other and collect the balance, or the full judgment, as the case may be, notwithstanding the judgment against the other.

On the other hand, payment by either surety discharges the obligation so far as the creditor is concerned, and that creates an obligation between the two co-sureties, whereby the surety who paid can sue and recover contribution from his co-surety even if the contract arose on separate obligations, or rather on separate contracts or separate writings.

These rules of the law apply in all cases involving co-sureties, irrespective of the kind of guarantee or obligation assumed.

For example, in *Commercial Casualty Ins. Co. v. Knutsen Motor Trucking Co.*, 173 N. E. 241, the trucks of the Knutsen Trucking Co. were insured on the twenty-four basis in the Commercial Casualty Insurance Co. and also on a twenty-five-fifty basis to cover the same loss in the Travelers' Insurance Co.

A person, who was injured by a truck owned by the trucking company and negligently operated by its driver, sued the trucking company and recovered \$7,000 damages. The Commercial Casualty Insurance Co. paid one half of this amount and refused to pay the balance on the contention that the Travelers' Insurance Co. should pay its share of the loss. After carefully considering the testimony the higher Court held the Commercial Casualty Insurance Co. liable for the full amount, saying:

"There can be no question under the law of suretyship that, where the same obligation is protected by two companies in separate papers, each or both are liable and may be sued, and, perhaps, must be sued, separately, and a judgment

(Concluded on page 48)

TWO BITS

Vol. X. No. 11

A Bit Here, A Bit There

Gotham, November, 1931

In Which We Seek a Bid

ANDY MURRAY, *Two Bits*'s mgr, got mad at Ye Ed on a/c that we did not publish a *Two Bits* page last mo. (Oct.), so this mo. (Nov.) we are publishing one on a/c that we cannot afford to have Andy mad at us right now on a/c that one of his daughters, Grace Ann, is going to get wedded on Nov. 26, which is Thanksgiving Day, & if Andy stayed mad at us we might not get an invite to the wedding, turkey, cranberry sauce, etc. Also the "etc." is highly important when one visits Andy's home, as you could discover by pumping Sid Smith, the Tampa storager, or Fred Crone, the Vancouver storager, or Fred's son Wilb, the Seattle storager, or Ches Carruth, the Chicago statistics-builder, & others. It is Oct. 21 as we write these lines & we have not got the wedding invite yet & we are beginning to get a bit worried about it. Maybe we should ought to send Grace Ann some flowers in advance as a hint.

In Which We Are Jilted

WE would say that axiomatically a *Two Bits* page cannot be published unless it is 1st written, & that is the problem confronting Ye Ed. at the moment, & a difficult one, too, on a/c there is a paucity of contrib'ns from the thoughtless storagers' industry. We had counted on Geo. Dintelmann, the St. Louis storager, to aid, after a hint we published in *Two Bits* that he should do so, but all we got from Geo. was: "Thanks for the advertising. I needed jolting, but I am in the terrible forties, which are liable to go in almost any direction while they last, therefore I may forget some of my gentlemen friends, but sooner or later I'll come back to you."

Which looks to us, one of Geo.'s gentlemen friends, that we have been temporarily thrown over for one of Geo.'s lady friends during the spasm of his terrible forties.

Ye Ed., also, is in his forties, & as a matter of record we will say that they are not terrible at all. Life is just really beginning, & maybe some mo. we will occupy an entire *Two Bits* page philosophizing about that & either gain or lose a lot of subscribers.

In Which We Are Congratulated

IT will be recalled that our Aug.'s & Sept.'s *Two Bits* were the 1st ones in a long time, or what you might call classical revivals, & in order to fill space

we will quote a letter rcvd from Burr Cramer, the Los Angeles insurer, as follows:

"Congratulations on the reappearance of *Two Bits*. It worried² me considerably to note its absence. I wondered what you were doing to relieve³ yourself. Now I understand the moustache⁴, now I understand why you talked too much at Mackinac⁵ and why you went up⁶ in the Air. *Two Bits* is now back⁷ and everything is again normal⁸."

In Which We Go to Lunch

AFTER struggling through the foregoing, with its wealth of reference material⁹ to guide you, we felt need of sustenance, on a/c the noon hour had arrived, so we went to a soda water emporium & got us a chocolate soda with vanilla ice cream. In the parlance of the soda water jerkers' profession, this is called a Black & White. A Black & White is not the same as an "etc." mentioned in the 1st paragraph on this page. It is not the same on Thanksgiving Day or any other day.

In Which We Quote a Lady

NOW lusciously sustenanced, we expect to dash off the rest of this darn page in no time at all, & we will start by telling you about a letter we got the other day from a bride at the end, or termination, of her honeymoon.

This lady's husband, otherwise the groom, is, truth to tell, a widely known storager. We will not mention his name here, but we will describe him. No, we will let the bride describe him. We will quote from the bride's own letter written to Ye Ed. at the end, or termination, of her honeymoon:

"My husband is the most marvelous creature in the world."

It is not quite clear to us why she should tell us a thing like that, but it indicates the sturdiness & stability of the American storagers' industry & is further evidence that you should all be

proud to belong to such an industry.

We will give the lady about one year to substitute something for "most marvelous—a cynicism founded on observation, not experience, we hasten to add.

In Which We Urge Caution

HOPEFULLY approaching the end of the page, we turn now to a lighter subject & tell you that we just got a warning from the U. S. Dep't of Agriculture that the hog-cholera situation of America demands close watching this fall. Remember that, the next time roast pork is set before you.

In Which We Quote a Cop

WE see by the papers that Charley Lindbergh, the aviator, recently surveyed, from his plane, the flood area in China. A policeman on Broadway tells us Charley could survey a larger one by going up over his own country.

In Which We Advertise

YE Ed. has authored another book, which will be published on Nov. 28. If you are interested, you should turn to page 42, which carries a news story that tells importantly about an imperishable and breathless-awaited masterpiece.

In Which We Give Advice

Morrie Wood, the Chicago storager, writes in his "The Ad Critic" colyum in *The Furniture Warehousman*:

"If I conducted a department like Kent Stiles in *Distribution and Warehousing*, I could write on almost any subject, could wax facetious, or say I was on a vacation."

Not if you were writing for *Two Bits* you couldn't, Morrie. 1st, we could mention several subjects you could not write about—or maybe you could write about them, Morrie, but you could not publish it, on a/c this is a family paper. 2nd, you would not be permitted by our serious-minded publishers to do any facetious waxing; this paper is constructively staid & conservatively highbrow & we guess you haven't been reading *Two Bits* long or you would know that. 3d, nobody with *Two Bits* (Ye Ed. being the chief nobody) ever gets a vacation, therefore you would not be permitted to discuss that on a/c *Two Bits* is always censored.

So you had better stick to your ad-criticaive job, Morrie, & not imagine what you could do if you essayed to run ours.

1. What you might call a classical revival.

2. Andy Murray was worried also & it may cost Ye Ed. a Thanksgiving dinner invite.

3. You'd be surprised about that.

4. Burr.

5. The one the moth flew out of—see our Aug. "Two Bits" if you preserved it, or if not we will send you a copy in return for 20 cts. & it is worth it.

6. We being in an airplane at the time. Burr, which way did you think we was going? You should use your bean, Burr.

7. But not backwards.

8. Including the Republic Administration.

9. At the bottom of this page.

Keynote and Highlight

Random Writings
by the Editor

Hats Off to Courage

WILLIAM GALLAGHER, New Orleans storage executive, seems destined to be either a warehouse hero or a warehouse goat, depending on how the United States Supreme Court rules on his legal plea that his city fathers acted unconstitutionally in officially ordering him to report names of customers moved. The case, now before the country's highest tribunal, is not in Mr. Gallagher's name, but in that of one August J. Schick, a local mover, but Mr. Gallagher is behind the battle with his attorney and financially, and he has broadcast a letter to furniture storage warehousemen to come through with cash to help pay the expenses of the fight.

It is interesting to observe the reaction to this plea for funds. In Connecticut the State association appropriated \$50 and sent it to New Orleans. A number of storage executives, including some in Washington, D. C., have contributed individually. The New York F. W. A. refused to act, on the ground that the National Furniture Warehousemen's Association did not indorse the idea.

All this discloses that there are two schools of opinion. Some think that Mr. Gallagher and his associates never should have carried the case to the United States Supreme Court; that if the latter's ruling is adverse it will be cited by municipalities contemplating enactment of an ordinance such as the one in New Orleans, and will be cited also by municipalities where such an ordinance, already on the statute books, is, through apathy, more or less of a "dead letter" law. Others apparently believe—and we assume that Mr. Gallagher is one of these—that the Supreme Court will declare the New Orleans ordinance unconstitutional, thus paving the way for warehouse groups in many cities to have such present ordinances eliminated or to prevent such enactments in future.

If the Supreme Court upholds the New Orleans law, Mr. Gallagher obviously is going to be in an uncomfortable position. If the statute is held unconstitutional, warehousing will adorn his brow

with laurel leaves. Whatever his reward, let's doff our hats to his sincerity. He has the courage of his convictions.

A Fight Which Is National

NEW YORK port's merchandise and cold storage warehousing is confronted with a species of competition so serious that it threatens to result in the scrapping of private enterprise valued at a hundred million dollars. So the Interstate Commerce Commission has been informed.

The competition is by the railroads, and it is competition which is national in effect. Unless it is ended, warehousing in many cities will suffer.

In New York the railroads are said to be using piers, cars and lighters, as well as buildings, for storage of commodities. One carrier is declared to have converted two hundred lighters to constant storage use.

Have the railroads the legal right to engage in this business? An organized group of warehousemen says not. This group has gone to the I. C. C. with allegation that the rail carriers are violating the law by engaging in a trade service—warehousing—which is not transportation. The Commission is asked to compel the railroads to cease giving this trade service, if it is within the Commission's power to do so. If not, the group asks the Commission to seek, from Congress, legislation which would enable the Commission to force the railroads to cease.

That, in a nutshell, is the aim of the Warehousemen's Protective Committee, headed by T. A. Adams. The story of this development begins on page 7, and Mr. Adams explanatory statement will be found on page 9.

Mr. Adams and his associates are not pussyfooting. They are not content with what they consider half-way measures. They are not in sympathy with any plan under which the railroads would be forced to charge warehousing rates which would be compensatory and in line with the rates charged by the pri-

vately operated warehouses. Their purpose is to get the railroads out of warehousing altogether!

Under the interstate commerce Act a railroad must file its transportation rates with the Interstate Commerce Commission, and there are penalties provided for violations.

A railroad may file also its storage rates, but the interstate commerce Act does not provide penalties for violation of storage rates.

There's the rub, from the viewpoint of Mr. Adams and his committee. What is to prevent a railroad, even though its storage rates are on file with the Commission, from easing off on such storage rates, in dealing with favored shipper-customers, in order to attract those customers' goods to its line? In other words, rebating. Mr. Adams visualizes a railroad saying to a shipper:

"We cannot give you a rebate of \$1.00 per ton out of our rates for transportation of your freight because that is forbidden by the Elkins Act, but we have another field of activity, warehouse and storage, that enables us to give you the equivalent of that rebate, and in that field we are immune from statutory restraints."

In the absence of statutory restraints, the railroads are in a position to get storage away from established private warehousing—not alone in New York but in Boston, Chicago, San Francisco, New Orleans, Atlanta. As already emphasized, this competition concerns the entire industry. It is national in character.

And being national, perhaps the country's warehouse industry will consider the fight worthy of support. The Warehousemen's Protective Committee now has nearly a hundred members. Mr. Adams says it will welcome more. Storage executives interested in joining battle can reach Mr. Adams at his New York City address, 525 West Street.

No star in Hollywood will be as lovely in 1932 as that Star after your Directory listing!

Spotlight on Rugs

THE MONUMENTAL Storage & Carpet Cleaning Co., Baltimore, recently did a good stroke of business which might well be a pattern for other household goods warehouse firms confronted with great quantities of rugs held for storage and accrued charges.

Turning these accounts into cash was the problem, and a public auction was decided on as the way to do it.

Monumental sent invitations to four or five thousand prospects, and the sale, across several days, was held in large carpet cleaning rooms temporarily converted into a combination salesroom and theater.

The first day was inspection day, when the public was permitted to make advance inspection of the goods. On the three following days the rugs were placed on auction.

The job was done a bit dramatically. Each rug was placed on an easel and a spotlight was turned on the rug.

The result was the sale of a rug a minute!

The sale of Orientals lasted from 7 to 10:30 p.m. All rugs were cataloged and each was given a number. Buyers were advised to select four rugs each, so that should a competitive customer purchase one, there would still be three others available.

Was it good business to sell 1,200 domestic rugs and 250 Oriental rugs in three days? That is what Monumental did in its first auction since the war—and thereby the company turned a large number of inactive accounts into real money. The largest sale was for \$2,000 to one customer, and the smallest was a single domestic covering for \$2.

Monumental cashed in in another way. The process of cleaning carpets was illustrated to the prospects, and cleaning orders amounting to several hundred dollars were written.

Old Man Depression was last seen swimming across Chesapeake Bay, frantically heading for the Atlantic.

Dependability and the Law

AS OUR old-time readers know, we give each warehouse company opportunity, year after year, to have notarized its information prepared for our annual Warehouse Directory. When a bold-face star appears after a firm's listing in the Directory, the consultant knows that the information in that listing has been notarized by a company executive qualified to state the facts.

It is not required that a listing be notarized. It is merely that the opportunity to have it notarized is accorded, so that in this way a

warehouse company may tell consultants, through the star, that its information has been notarized.

We bring up the subject again because year after year a warehouse executive with a legal turn of mind has taken issue with the value of our star system. This year his argument reads thusly:

"I am still of the opinion that this affidavit you require does not mean anything. . . . There are many people who will not make an oath; they make an affirmation, and your form provides for that. This shows the sacredness with which the law has surrounded an oath.

"The oath in law is provided for certain specific matters, and according to my way of thinking, an oath should never be required unless there could be some punishment from the making of a false statement; allow me to repeat, *an oath should never be required unless there is some means of punishment for making a false oath.*

"Now, there is no way under the sun by which you can punish a man for making a false oath to get an item into your paper, and that is why I have stated, and repeat, that the oath you require means nothing, *because a man who will publish a false statement through your magazine will also swear to a false statement.*"

What this correspondent says may be true; we have never studied law and we can't think of any argument at the moment to prove him wrong.

There is, however, another angle, and it is this:

The fact that there is a notary form printed on the Directory questionnaire is pretty apt to assure that the questionnaire is going to be turned over to an authorized executive—president, vice-president, secretary, treasurer or manager—to be answered. A questionnaire containing a notary form is not likely to be answered by a minor employee not fully conversant regarding facts as to investment, area, etc.

If the notary system succeeds to the extent of bringing the questionnaire to the personal attention of someone in authority, it has accomplished something right at the start.

An employee, filling in the questionnaire, might conceivably attempt to write in exaggerated figures in order to give his employer's firm an excellent showing in the Directory.

The executive with authority is not apt to do that if he is a good business man, and most warehousemen are good business men.

We believe, therefore, that the star system assures added dependability for the Directory. Fewer inaccuracies and exaggerations are

apt to creep in for the very reason that the questionnaires go, ninety-nine times out of a hundred we think, to executives in authority.

You'd be surprised to know, as we learned through experience, the number of radical changes that were made in listing information the year we introduced the star system! We recall one executive then high up in association councils, who, in giving his revised listing the notary seal, scaled down his investment and his square footage. It was not that he had previously been dishonest; the questionnaires returned by his firm in earlier years had been signed by an employee. But now the new questionnaire bore a notary form, and the employee turned it over to his boss, and the boss acted; he had no wish to tell the distribution world a lot of exaggeration. Moreover he welcomed the opportunity to tell distributors facts only in a listing which they would recognize as having been notarized by reason of the presence of the star after the listing.

The legally minded correspondent quoted reminds us that "there is no law under the sun by which you can punish a man for making a false oath to get an item into your paper."

That is true, and we have no intention of trying to mete out punishment. All we're after is to produce a Warehouse Directory as dependable as it is humanly possible to make it, and it is our conviction that the notary system aids us in that objective. And we have the thought that the majority of warehousing's executives agree with us.

And of what worth, we ask you, can any Directory be to Business America if the consultants are not convinced that it is dependable?

Part of our editorial job is to read carefully the bulletins sent out by the various association secretaries, and now and then we come across a nugget of real gold.

Alva E. Smith, secretary of the Kansas Warehouse & Transfermen's Association, quotes G. L. Sterling, a Pittsburg, Kan., member, as having written him:

"During the past eighteen months we have been asked 'How's Business?' and our reply was 'Good.'"

"But recently we have been reading in the Good Book where it says, 'Thou shalt not lie,' so now our answer is 'Just a little quiet.'"

Don't put yourself in the bootlegger class. Charge extra for deliveries!

FROM THE LEGAL VIEWPOINT

By
LEO T. PARKER

State Taxation of Interstate Traffic

IT is well known that a State may not legally enact a law requiring payment of taxes or license fees by a citizen of another State for transaction of purely interstate business. In other words, while a State may not lawfully impose a tax on the privilege of engaging in interstate commerce, yet such State may impose upon motor vehicles engaged exclusively in interstate commerce a charge or license fee as *compensation for the use of the public highways* which is a fair contribution to the cost of constructing and maintaining them.

However, this license law is a direct burden on interstate commerce, and the tax cannot be sustained unless it appears affirmatively, in some way, that it is levied *only as compensation for use of the highways or to defray the expense of regulating motor traffic*. This may be indicated by the nature of the imposition, such as a mileage tax directly proportioned to the use, or by the express allocation of the proceeds of the tax to highway purposes. Where it is shown that the tax is so imposed, the law will be held valid unless the motor vehicle owner shows that it bears no reasonable relation to the privilege of using the highways or is discriminatory. On the other hand, the mere fact that the tax falls upon one who uses the highway is not enough to give it presumptive validity.

An unusually important decision, with respect to these points of the law, was decided within recent weeks by the Supreme Court of the United States in the case of *Interstate Transit v. Lindsey*, 51 S. Ct. 380.

In this case it was shown that a law of Tennessee imposes upon concerns operating interstate motor vehicles on the highways of the State a privilege tax graduated according to carrying capacity. A motor carrier brought suit on the ground that the statute violates the commerce clause of the Federal Constitution. The lower State Court held the law invalid but its verdict was reversed by the Supreme Court of Tennessee.

Several motor vehicle owners appealed to the Supreme Court of the United States on the contention that the statute was not enacted for the purpose of providing compensation for use of the highway. In fact the title of the law is as follows: "An Act to provide for

General Revenue for the State of Tennessee and the counties and municipalities thereof, to be known as the General Revenue Bill."

It is interesting to observe that the Supreme Court reversed the decision rendered by the higher Court in Tennessee and held the law invalid, saying:

"A detailed examination of the statute under which the tax here challenged was laid makes it clear that the charge was imposed, not as compensation for the use of the highways, but for the privilege of doing the interstate business. . . . Being free to levy occupation taxes, States may tax the privilege of doing an intrastate business without regard to whether the charge imposed represents merely a fair compensation for the use of their highways. . . . Being valid only if compensatory, the charge must

Your Legal Problems

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business.

be necessarily predicated upon the use made, or to be made, of the highways of the State. . . . In the present Act the amount of the tax is not dependent upon such use. It does not rise with an increase in mileage traveled. . . . Nor is it related to the degree of wear and tear incident to the use of motor vehicles of different sizes and weights, except in so far as this is indirectly affected by carrying-capacity. The tax is proportioned solely to the earning capacity of the vehicle. Accordingly, there is here no sufficient relation between the measure employed and the extent or manner of use to justify holding that the tax was a charge made merely as compensation for the use of the highways."

Garage License Law Held Void

VARIOUS Courts have held that municipalities have no *inherent* powers and derive *all* powers possessed by them from the State statutes granting such power, and that such statutes are to be strictly construed. Any fair or reasonable doubt as to the existence of the power must be resolved *against* the municipality.

For instance, in *Crevar Co. v. City of Chicago*, 173 N. E. 484, it was disclosed that a State law gives municipalities authority to pass laws to control the location and regulate the use and construction of public garages, private garages and stables designed for the use of five or more vehicles, and storage warehouses, within the limits of the city or village. A city passed an ordinance, as follows:

"No person, firm or corporation shall manage, conduct, operate or carry on a private garage where said private garage is designed for the use of five or more automobiles, autocars, or any similar self-propelled vehicles, without first having obtained a license therefor."

The counsel for the city argued that the great increase in the use of automobiles has given rise to a situation involving the public safety and welfare which justified this Court in holding that the regulation of private garages was necessary, and that for this reason the State law implied authority to municipalities to license private garages.

However, as the State law does not specifically authorize cities to enact ordinances requiring payment of license fees by owners of private garages, the higher Court held the ordinance void, saying:

"Unless by the language of a given statute it can be seen that it contemplated a given future development, this Court can only ascribe to the Legislature the intention to meet conditions as they existed *at the time* of the passage of the Act. . . . It seems apparent that if fire prevention or building ordinances or ordinances affecting gas storage are applicable, that fact does not change the issue before us in this case, which is, whether under the law appellee [city] is given power to regulate private garages by the ordinance under attack. We are of the opinion that the city does *not* have such power. Whether the increase of the use of motor vehicles has brought about a situation inimical to the public welfare unless regulated is a

matter that might well be addressed to the Legislature. This Court cannot legislate."

Liability in Case of a Manager's Contract

CONSIDERABLE discussion has arisen from time to time as to whether a warehouseman is liable for contracts made by employees without authority of the warehouse owner, or of the board of directors where the warehouse is operated by a corporation.

Generally speaking, a corporation or a warehouse owner is liable for all contracts made by the manager of a department, or branch, so long as such contracts are within the scope of his authority. Moreover, a contract is valid and binding although the manager was not specially authorized to enter into the agreement, providing it is within his general authority and relates to the conduct of the business.

For instance, in the recent case of *Municipal v. Zachry*, 294 Pac. 114, it was disclosed that a manager employed by a corporation entered into a contract by the terms of which he employed an attorney to represent the corporation in legal matters. The manager agreed that the corporation would pay the attorney \$1,250 for the services to be rendered. Later the corporation refused to pay the bill presented by the attorney, on the ground that the manager had exceeded his authority when entering into the contract without having the approval of the board of directors of the corporation. The corporation further alleged that the manager had no authority to make employment contracts.

The attorney contended that the manager was a local manager and in charge of the affairs of the company and, as such local manager, therefore had authority to employ him.

It is interesting to observe that the lower Court held the corporation liable for services rendered by the attorney, and the higher Court upheld this decision, stating the following important law:

"The president and general manager or general manager of a corporation has the implied authority to employ counsel to represent it in litigation, instituted for or against the corporation or in an advisory capacity, without special action of the board of directors authorizing it. . . . In a law case, where there is competent evidence supporting the verdict of the jury, the same will not be disturbed on appeal on the ground that the evidence was insufficient. The finding of the jury is binding on this Court."

The Law of Limitation

VARIOUS States have enacted debt "outlaw" statutes which relieve debtors from paying debts that have remained unpaid for a specified number of years. However, it is important to know

that, notwithstanding such laws, an outlawed debt may be renewed by certain acts on the part of the debtor, such as making an absolute promise to pay, or by making a small payment on the old debt, and by substituting the old debt by a new one.

For illustration, in *Hartnagel v. Alexander*, 235 N. W. 521, it was shown that a person sent a small payment on an outlawed debt and wrote the following letter to the creditor:

"I am real sorry that I am not able to pay you yet. I haven't sold all of my land yet. Now just as soon as I can sell all of my land I want to pay you all the money I owe you and also 6 per cent interest."

In holding that this letter renewed the outlawed debt, the Court said:

"The language used in the letter speaks for itself. It should be given its usual and ordinary effect. . . . There had been a voluntary part-payment made on one larger indebtedness, an unconditional acknowledgment of the debt, and, in addition to an implied promise to pay it, including interest, there was an express promise to so pay."

Payment on Second Term of a Lease

IT is well settled that a firm or warehouseman who retains possession of leased property one day or more after the lease expires is liable for payment of rental for a term equal to the term of the original lease. Moreover, where a lease stipulates that a written notice to vacate is required, a verbal notice will not relieve the tenant from liability for payment of rent for the second term.

For example, in *Gold v. Fox*, 155 Atl. 287, it was shown that a man named Fox leased a building for a term of six years at stipulated rent which, for the last year of the term and any extension thereof, was \$7,200 per annum, in monthly payments. The lease contract contained the following clause:

"Lessee agrees that if lessee shall, at any time during the continuance of this lease, remove or attempt to remove lessee's goods or property out of or from said premises, without first having paid and satisfied lessor in full or for all rent which may become due during the entire term of this lease, then and in such case such removal or attempt to remove shall be considered as fraudulent, and the whole rent of this lease or any part thereof, at the option of lessor, shall be taken to be thereupon due and payable and in arrear."

Without having given written notice of his intent to end the lease the lessee on the last day of the six-year term vacated the premises and removed its property therefrom.

The landlord sued for the rent for the full year beginning the day after Fox vacated the building. It was contended by Fox that he was not liable because he had given the landlord verbal notice of his intentions to vacate. However, it is interesting to observe that the higher

Court held Fox liable, and said:

"It may be a hard case, but, notwithstanding the strenuous efforts for appellant [lessee], the record discloses no cause for reversal."

The Validity of Payments

CONSIDERABLE controversy has existed from time to time as to whether a debtor is relieved from further payment on an account where the warehouseman accepts part payment by a check having written thereon "Payment in full."

This classification of the law is known as "accord and satisfaction" and means the debtor has disputed the account and that the warehouseman has accepted as full payment an amount less than the original debt.

For example, if a debtor owes a warehouseman \$100 and the former states that this amount is incorrect and later sends a check to the warehouseman for \$50 explaining that the enclosed check "is full payment on the account," the debtor is relieved from making further payment if the warehouseman accepts and cashes the check.

On the other hand if a debt is not disputed the debtor cannot settle in full the account by making payment of less than the full amount, although he marks the check "for full payment on account."

The latest case involving these important points of the law is *Anderson v. Sanitary*, 295 Pac. 925.

In this instance it was disclosed that a company owed a warehouseman named Anderson the sum of \$2,000. A check for \$743 was drawn by the company payable to Anderson, who cashed the check. Later the company contended that Anderson had accepted the check in full for all claims, and that this payment was a full and complete "accord and satisfaction."

However, as the company failed to prove that it had disputed Anderson's account, the Court held that the payment of \$743 may rightfully be credited to the account by Anderson, and that he was entitled to recover the balance from the company. This Court stated important law, as follows:

"The company acknowledged in writing—the credit entry of \$2,000 in the books of the company—its indebtedness to Anderson. There is not a sufficient showing that he accepted the \$743 as other than a payment on account. The claim of indebtedness was liquidated and undisputed. The amount was agreed upon as \$2,000. The payment of a less amount than the liquidated demand was not a discharge of the whole. Accord and satisfaction is founded on contract, and a consideration therefor is as necessary as for any other contract. One rule of law with reference to accord and satisfaction is that if a claim of indebtedness is liquidated and undisputed, and is due and owing, payment by the debtor and receipt by the creditor of any amount of money less than the whole

amount of the indebtedness will not discharge the balance; and this is true, even though at the time of making the payment the debtor announced that he intended thereby to pay in full the entire indebtedness."

Representations Held Fraudulent

AN important point of the law is that a person who sells property by means of fraudulent representations is liable in damages to the purchaser. Moreover, the purchaser may sue and recover damages from the seller.

For illustration, in *Martin v. Harris*, 236 N. W. 914, it was disclosed that the owner of a ranch entered into a contract with the owner of a warehouse building by the terms of which it was agreed to exchange the property. The exchange contract signed by the warehouse building owner contained the following provision:

"There have been no representations of the reasonable value of any of the properties herein described made by or to either party to this contract. Each party is relying upon his own judgment of such values after a personal inspection of the properties."

The exchange contract showed further that the building owner endorsed thereon this statement: "I have inspected this ranch property and accept and approve it."

Later the owner of the building filed suit to recover damages and rescind the contract on the grounds that the ranch owner had misrepresented the value of the ranch, as well as other facts.

The counsel for the ranch owner argued that the building owner was not entitled to a judgment because he had signed the foregoing statement.

However, it is important to know that the higher Court held the building owner entitled to recover \$53,120 damages. This Court said:

"The exchange contract was signed before plaintiff [building owner] saw the ranch. . . . Furthermore an inspection of the ranch, if fully made, would not have disclosed the false representations that the ranch had been recently sold for \$60,000; that defendant had an available purchaser for \$18 an acre. . . . The circumstances were such as to permit a recovery for fraud, notwithstanding the stipulations to avoid the consequences of fraud."

Selling the Goods for Unpaid Charges

LEGAL EDITOR, *Distribution and Warehousing*: Will you kindly advise the writer whether you have among your books for sale one that dwells on warehouse laws in the State of New York? We are particularly interested in the rights of warehousemen in the disposition or sale of merchandise on which storage has not been paid. In other words, can we sell after one year without bringing suit against the storer?

If you have a book covering this subject we would like to know.—*Wilco Warehouse & Trucking Corp.*

Answer: I am sorry that I have no book explaining laws of the nature described. However, it is generally established law that a warehouseman may sell stored goods to recover payment for storage charges. As a rule it is not necessary that a warehouseman file suit but he is bound to advertise the sale strictly in accordance with the terms of State laws and he must send written notification to the owner of the goods. After such advertisement and written notice, the warehouseman may, within a period specified by the law, sell the goods at auction, if the owner fails to pay the storage charges.

Diligence After the Act of God

LEGAL EDITOR: *Distribution and Warehousing*: See *Distribution and Warehousing* for September, 1931, "From the Legal Viewpoint," article headed, "What is An Act of God?" You state that a negligent act is never an act of God. In the last paragraph describing the facts of the case we are unable to ascertain the negligent act of the railway company. We would appreciate your briefly pointing this out to us.—*Walker Storage Warehouses.*

Answer: Negligence of the railway company was its failure to use due diligence after the storm to protect the goods from damage. Also, negligence of a warehouseman in a similar case may result from his lack of ordinary care to maintain the roof in good condition.

For instance, if a storm blows the roof from a warehouse and no other buildings nearby are damaged it indicates negligence on the part of the warehouseman in failing to have to have the roof inspected and repaired so that it may have withstood the storm the same as other roofs. Moreover, a warehouseman may be liable in damages for failure to use care to reduce damage to goods which have been partly damaged by an act of God. In the aforementioned case the Court said:

Norman B. Frost Joins Federal's Directorate as Counsel

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

NORMAN B. FROST, an attorney specializing in the practice of estate law, has been added to the board of directors of the Federal Storage Co.

Mr. Frost has been associated in legal matters for the Federal company with Harold N. Marsh, vice-president and counsel, particularly in handling questions having to do with estates, a department of growing importance in the extensive affairs of the company of which he is now a director. The storage of furniture, wearing apparel and jewels of decedents during the process of winding up estates, and the transportation of articles bequeathed or con-

"The Court properly told the jury that it was the duty of the defendant [railway company] to use reasonable diligence after the storm, that the shipper might be protected from loss or its damage minimized."

Case Involving a Chattel Mortgage

LEGAL EDITOR, *Distribution and Warehousing*: A laundry in a west Texas town closed down and stored the machinery with a warehouseman. The manufacturers of the machinery had a mortgage on the machinery which was of record in the county where the business was operated and where the warehouse is located.

After the machinery had been removed from the laundry the owner of the building where the laundry was located sued for back rent and attached the machinery. The sheriff notified the warehouseman that the machinery was in possession of the sheriff's department and must not be moved. The suit for the rent has not yet been tried.

Who will be liable for the storage on the machinery? Can the warehouseman sell the machinery for storage without incurring any liability to the manufacturers or to the landlord?—*Texas Southwest Warehouse & Transfermen's Association.*

Answer: Many Courts have held that a properly recorded chattel mortgage is superior and prior to a warehouseman's lien. Therefore, it is my opinion that the warehouseman is not entitled to sell the machinery without obtaining consent from the holder of the mortgage.

With respect to the landlord's claim, according to previous higher Court decisions, the warehouseman's lien is prior to the landlord's lien, under the circumstances of this particular case.

Of course if the warehouseman has knowledge of a landlord's lien before removing goods from the premises then, in order that the warehouseman's lien is prior and superior to the landlord's lien, it is necessary that the warehouseman obtain written consent from the landlord to remove and store the goods.

signed to the kin of a deceased person, are matters in which legal guidance has been found to be beneficial if not essential. Mr. Frost has handled such problems in the past for the Federal company with such satisfaction that the board voted him an invitation to become a member and he has accepted.

With Attorney Marsh, the new director will occupy a supervisory position, from a legal aspect, over the operations of the many departments of the business, including transportation; private storage rooms for furniture; silver vault; packing and shipping; cold storage vaults for furs and rugs; fumigated chambers; lift vans for foreign shipment; rug cleaning; heated piano and art section, and insurance.

—James J. Butler.

H. A. HARING'S

Developing New Business for Warehouses

No. 72

Repair Department
Revenue

AMONG the benefits of the business depression has been the lesson that unused facilities around the plant are costly. Any department of the business which works but half time entails a loss chiefly because the overhead for rent and taxes, interest and upkeep, goes on without interruption even though no one enters the premises for a month at a time. A vacant room, or an idle machine, brings a loss just as inevitably as the sale of goods for less than cost.

This fact is true for the furniture warehouseman quite as much as for the manufacturing plant. Idle work rooms mean a loss, as do the moving vans for every day they are not in operation. Both are "unused facilities" of the business—equipment and investment which gnaw into profits owing to the unavoidable cost of depreciation and interest on the investment. And yet the warehouse cannot exist without them. Not to have them in readiness when demand does arise would mean loss of business.

ANYONE who chats with furniture warehousemen at the conventions discovers that the convention-attending warehouseman is apt to be the up-and-going one. He is the leader for new ideas and fresh business methods. He is likely to be abreast of the times in knowing the changed problems of the industry. Most of all, by going to the conventions, he picks up new ideas for the conduct of his own business back home.

Anyone, furthermore, who visits furniture warehousemen at their places of business quickly finds that they are of two classes: the progressive and the unprogressive.

The first group is eternally after business, their motto seeming to be: "More and better."

The second group is pretty good at grumbling about hard times and is generally ready to discuss unemployment or political knavery, their motto seeming to be: "What's the use? We ought to pass a law about it?" The second group is also the one which talks most about red ink and high taxes and similar lugubrious subjects.

One of the worst warehousemen of this crepe-hanging type known to me over-looks a large cemetery from his upper floors: at the time of my last visit I had a thought that he ought, possibly, to be across the street. He surely was gloomy enough to call the undertaker.

Others have squarely faced the problem of utilizing their unused facilities. They know it is not possible to develop much new business in house-moving during the off season, but, as they look over

their warehouses from week to week, they do see a possibility of working the shop continuously during the twelve months.

One furniture warehouseman in a city where, he tells me, more than twenty competitors contend for all the business that is going, gave every man on his force "better than 280 days of work" in 1930. Some of them had more than 300 days; one man topped the list with 418, due to overtime. This warehouseman employed only four men as extra help during the rush season—a record of which he is justly proud, with eight moving vans in his fleet. I only wish he would permit me to name his house and himself, but he says "No."

Another, in a city of thirty thousand in New York State, where he is the only fully-equipped furniture "storager," has two vans. During the heavy season he hires additional equipment from local "movers." Thus he escapes the investment in trucks and garage equipment which his business really needs. Every "regular" man is, however, given full-time employment and this has been true all through both 1930 and 1931 (or was up to Labor Day when I last talked with him).

He began the development of unused facilities in his house by installing moth-proofing equipment. By making a sort of first-hand study of each patron—plus going himself to the house to get a "once over" of the floor coverings and furniture and the "way the woman keeps her place"—he found dozens of homes, during the first year of the new equip-

The troublesome problem of management becomes, in this manner, how to develop maximum use for them throughout the year; how to find employment for these facilities during the weeks they lie idle; how to create profitable work for the employees in the "off season" of warehousing; how, in short, to dig up business for the warehouse after those awful weeks of "moving days" when every facility is stretched to the utmost and when every man is worked until he almost drops of exhaustion. Those weeks bring profits to the business. There are no "unused facilities" at such a time, because everything is requisitioned into service.

Then follow the long weeks of waiting for the telephone to ring, of dreading the last day of each month because there is so little a balance of net earnings, and of facing the men as they inquire whether "there's anything doing" in the form of a day's work for themselves.

ment, from which he was able to develop employment for his repairmen.

"That fumigating equipment," he told me, "opened the way for all the business we can handle. In less than four years I've increased the floor space for repair work three times. Now it takes up all the second floor of the warehouse." (It already had all of the first floor that could be spared for the purpose.)

Another warehouseman tells me what he has done:

"Both the important furniture stores in town have quit their repair work. Their men are with me. That was the way I made sure they wouldn't welsh on me.

"The stores were losing money on the repairing, because half the time they couldn't charge for it. It was a sort of service to hold their customers. Now, when a customer asks to have a piece redone, they simply explain that they have no repairmen and that all their own work is done by us. The customer is referred to us, and we can charge a fair price. We can do another thing that the store was afraid to do: we show the woman how her old things can be reconditioned and made like new again, mostly by re-upholstering and replacing the springs and webbing. All that means work for us and material to be sold.

"The stores, without knowing it, have got in the habit of storing a lot of their own goods with us. We do a lot of their delivering. This brings our vans to the home, and no dealer ever was so careful to slap on the final polishing as our

men are before they leave the customer's home.

"I work a little trick of my own, too, whenever we have delivered a big order or almost anything to the home of well-to-do families. Next morning, as I come to the office, I drop in just to inquire how the delivery was made, explaining that we act for the retailer and do not want to fall down with somebody else's goods! That gives me the chance to look the place over, and I'm pretty dense if I don't glim something or other that I can propose to recondition. That warms the woman up and ten to one she leads me to some back room where there's a piece she's half ashamed of because its cover is worn through or the legs ready to fall apart.

"All that is meat for me."

Selling Furniture

IN the issue of *Distribution and Warehousing* for October we discussed changing methods in the selling of furniture. Department stores are fast displacing the older furniture dealer. Chains of furniture stores, too, are appearing. The merchandising of furniture was once in the hands of men who could themselves repair and recondition the goods; today it is fast moving into the control of a new generation who are, first and all the time, salesmen. They make it their business to do the selling. They desire to rid themselves of all else.

The department stores, therefore, and many of the newer retailers, distinctly do not want to bother with a repair shop. It leads them into "servicing the goods" after sale and doing so without being in position to make a charge. This condition is accentuated by the fact that two-thirds of all furniture is sold on installment payments, with the result that the customer finds many excuses to lay upon the dealer some expense for polishing or removing scratches, replacing broken legs or easing a tight drawer. This expense the dealer must sometimes assume, even when clearly it is the result of wear or abuse, because he is obliged to keep the buyer satisfied so long as time payments are due.

If, however, the dealer does not maintain a repair department, it is quite simple to say, as the automobile dealer does: "Take it to the rapairman."

These newer retailers, in cities up and down the land, are tying up with furniture warehouses for their repair work. A recent survey of retailing in this trade makes the recommendation:

"Retailers must cut needless costs. The narrowing margin of profit does not allow expensive servicing of goods after delivery. The retailer will save money who is able to contract out all repair work for the reason that our study of hundreds of retailers' businesses shows conclusively that the repair shop is run at a loss. It is overloaded with work for which nothing is received.

"The retailer must concentrate his investment and his skill on selling furniture, *selling* and not repairing. His men should be *salesmen*, not experts with the rag."

Advertising Essential

ONE trouble faced by the furniture warehouseman is that too many people still think of the warehouse as a place to store their effects when they are "breaking up housekeeping." That idea is disappearing, as well we know; yet it prevails with thousands of persons. They do not think of the warehouse as the place to fumigate and recondition their goods, or for temporary storing of what is used part of the year. Only one way exists to change this sentiment.

The public must be told. Telling, for modern men, means advertising in some form or other. No one can expect patrons to do his thinking for him or plan how he can best serve the community. The warehouseman must make his plans for himself and then go to the people and explain to them how he will save them money, or give them something before impossible, or enable them to get longer service from what they already own.

Here, again, comes that striking difference between the progressive and the unprogressive warehouseman. The progressive concern tells the public what it has to offer.

Advertising often appears to be an intangible matter—particularly vague when the invoices show up for payment—but advertising of the right sort builds up an asset for the business that is not by any means intangible. It is very real. It gets new business, and it holds old customers, in a manner that creates value on the books. Advertising thus becomes an asset in the business—an asset which is worth thousands of dollars when an owner comes to dispose of his interest.

The Right Combination

Nothing equals intelligent management and adequate advertising, when properly combined, to make a business thrive whether times are good or bad.

The furniture warehouseman who expects to expand his repair department must, therefore, go out into his community and tell about the opportunity. He will never make progress if he leaves it to the imagination of the public to "guess" that he offers a fumigation service and an upholstery shop, better equipped than any retailer ever thought of providing.

Fortunately, too, for the furniture warehouseman, there are a thousand appeals he can make to Mrs. Housewife for her patronage. Nothing in all the world is so near her heart—excepting of course the people she loves—as the equipment of the home. She lives nine-tenths of her life amid it, and nothing so prides her as a compliment on her housekeeping. There is thus provided the warehouseman a multitude of approaches to her attention, more effective than is given to the ordinary run of food and drug items and many others that buy large spaces in the newspaper.

Suggestions for Appeal

ONE day last July a warehouseman entertained me at his home for dinner, and, as we sat around that evening

(three warehousemen and myself), our host picked up from the table a brown-covered paper-bound pamphlet, with a remark something like this:

"Here's the greatest little Bible I've ever seen for the warehouse business."

That got attention.

"And all it cost me was twenty cents. If I don't make it earn twenty thousand dollars, I'll—well, I'll give you boys a thousand apiece! And every one of you can do the same."

That statement got more attention, as three of us stretched out a hand apiece for the book. He took us back a bit, by waving it over our heads and adding:

"It's a Government pub. at that. About a hundred pages, and a fourth of them pictures. Hardly a thing in the whole book that I didn't know before! But—I don't know why it was—this little book gave me a wholly new thought about my own business. It's full and running over with little thoughts that we can turn into arguments to sell the warehouse to people. And, advertisements! Boys, right here are all the ideas you'll ever need to write 'ads' that'll be read all about town."

The "greatest little Bible" of which he spoke is called "Furniture: Its Selection and Use." It was issued, early in 1931, by the National Committee on Wood Utilization, which is an organization of some 200 members set up by Herbert Hoover while he was Secretary of Commerce. The membership comprises manufacturers, distributors and consumers of forest products, and the purpose of the committee is to work for better utilization of our country's timber resources. The book in question was prepared, after several years of work, by a small subcommittee of specialists. It is far more valuable than the ordinary Government publication.

One of the three warehousemen who was dinner guest that evening remarked, after examining the book which our host finally let us handle:

"I'm going to take that chapter on 'Finish' and get it out as a little booklet or folder and send it to our mailing list. And the very next chapter, the one on 'Upholstered Furniture,' would make another good booklet—even better, I think, than the first."

He might have included in this program the chapters on "Solid and Veneered Construction" or "Construction Features of Furniture"; "Care and Repair of Furniture" or "Eliminating Insect Pests." It is more than certain that a woman would keep, and not toss aside, a reprint of the chapter on "Period Styles of Furniture Commonly Used Today."

That these warehousemen caught the right idea is demonstrated by an "ad" of the John Wanamaker Stores which, in August, bought full pages in the newspapers of both New York and Philadelphia in connection with the August sales of furniture in those cities, the pages bearing the caption: "Know the Woods You Buy in Furniture." Then, in small type, the entire advertisement is devoted to what they call the "Primer of Woods"

and the "Glossary of Woods." The public is told the values of different woods, the meaning and purpose of veneer, and is given a dictionary of words commonly used about wood.

All the information imparted by Wana-maker is to be found in the Government booklet, together with much more. Any warehouseman who wishes to lay hand in ready-made material for a series of direct mailings to the households of his community will find it in this booklet, which, in common with all publications of the Government, is not copyrighted. The matter may be reused without risk of infringement and without the trouble to ask permission. Taxpayers paid for the book in the first instance and they may use it at will.

In the conversation that evening one man after another made almost identical statements, growing out of their experiences as furniture warehousemen.

"Our big job is to advertise. We've been too slow and too stingy. It's no use to equip the plant to do the finest job of repair work in the city unless we let the people know it."

But that little group, in common with brother warehousemen all over the United States, have been at a loss to know just how to let their community know. The booklet "Furniture: Its Selection and Use" is almost an inspiration in the suggestions it gives for gaining attention of women. For instance, the chapter on "Period Styles of Furniture Commonly Used Today" not only describes thirteen Periods (four French, two Early English, four Georgian and three American), but, as conclusion, presents on a single page a tabulation which gives for each of the thirteen: Historic date, Lines, Proportions, Woods, Upholstering Fabric, and Modern Use. Any woman, at one glance over this chapter, will see that she may

now discuss intelligently any "antique" dragged out at a friend's house for admiration and that she will know as much as collectors claim to know. I cannot imagine any booklet that women will more eagerly seize and keep. It would make a perfect advertising leaflet for a warehouse.

This is but one of the many possibilities from this booklet. The best thing about it is that it furnishes advertising themes for the newest development of our furniture warehousing—namely, that of giving year-round employment to the men and year-round utilization of unused facilities through bringing more and more business to the repair and fumigation departments.

Recommended Information

THIS book, "Furniture: Its Selection and Use," may be obtained for the small sum of 20 cents through The Superintendent of Documents, Washington, D. C. Some additional Government publications which will aid the warehouseman in mapping out a campaign to advertise are these:

	Cents
Farmers' Bulletin 1346-F. Carpet Beetles and Their Control	5
Farmers' Bulletin 1353-F. Clothes Moths and Their Control	10
Farmers' Bulletin 1472-F. Preventing Damage by Termites or White Ants	5
Farmers' Bulletin 1477-F. Preventing Damage by Lyctus Powder-Post Beetles	5
Farmers' Bulletin 1655-F. The Control of Moths in Upholstered Furniture	10
Farmers' Bulletin 1189-F. Housecleaning Made Easier	5
Farmers' Bulletin 1474-F. Stain Removal from Fabrics, Home Methods	5
Farmers' Bulletin 1104-F. Book Lice, or Psocids, Annoying Household Pests	5
Department of Agriculture Bulletin 1430-D. Defects in Timber Caused by Insects	15
Department of Agriculture Bul-	

let in 1500. The Gluing of Wood	25
Department of Agriculture Bulletin 1050. The Identification of True Mahogany and Certain So-Called Mahoganies	10
Miscellaneous Circular 66. The Identification of Furniture Woods	30
Forest Products Laboratory, Madison, Wis.	
Technical Note 103. How to Distinguish Mahogany and Walnut from Red Gum	Free
Technical Note 116. How to Tell Birch, Beech and Maple Apart	Free
Technical Note 125. Identification of Oak Woods	Free
Technical Note 131. Properties of Ordinary Wood Compared with Plywood	Free
Technical Note 197. Veneered and Solid Furniture	Free

Thus, you see, one dollar and a half will bring the entire set of booklets to your desk. Many of them you have perhaps already seen. It will undoubtedly repay you, however, to go through them again—this time with your eye and mind open for suggestions for advertising your warehouse to the womenfolk of the community.

In sending for these publications it may be well to remember that the Superintendent of Documents is controlled by an Act of Congress which forbids him to accept in payment ordinary checks. Nor will he accept postage stamps, even for so small a sum as five cents. He demands either a postal money order or a cashier's check, and, although he has been known to ship publications paid for by ordinary checks of business houses, he is more likely to return the remittance and ask for a money order. The custom seems ridiculous, but it is the law, and he, being a Government employee, shields himself behind the letter of that law.

As a taxpayer you already have paid for the compilation and printing of these books. Send for them and use them to convert the unused facilities of your warehouse into earning power.

Crone Packs a Thing for a Siamese King



When His Siamese Majesty passed through Vancouver on his recent American journey he requested that his motor car, a beautiful Pierce Arrow open model, be packed and shipped to him at Bangkok. Fred Crone, president of the Crone Storage Co., Ltd., got the job from the local dealers—and this is how the shipment looked

Compton Drivers Serve Forest Fire Fighters

Boise Firm's Men
in Woods Drama

By M. A. COMPTON

Secretary, Compton Transfer and Storage Co., Boise, Idaho

WHEN a lightning flash struck a dried stump in the Idaho forests clothing the slopes of the Boise Mountains, some 50 miles northwest of the State's capital, and started the most disastrous fire of recent years in that territory, it brought a hurry-up call from the United States Forest Service for the Compton Transfer & Storage Co.'s fleet of speed trucks which gave trucks and drivers a unique and exciting experience.

The region where the fire burned, though close to the good roads and settlements of the Snake River Valley, still is in a state of development, as regards highways, closely approximating pioneer conditions. The roads are trails—little more than dusty wheel tracks through virgin forests over grades with high centers that are discouraging to passenger cars.

FIRE camps were established at strategic locations, and the men were allotted positions on the fire. Then the arduous duty of dispatching men to and from the fire lines was assigned to nine trucks of the Compton fleet, while eleven more rushed fresh men, equipment and supplies from Boise to the fire area.

Some of the drivers sat at their wheels from 96 to 120 consecutive hours without sleep or rest, taking time only for a cup of camp coffee and a sandwich now and then, while their trucks were serviced for further grind.

Balked of its prey at Placerville, the fire turned eastward and ate into the dense second growth on the ridge between Placerville and Pioneerville. This was a trackless region, but the fire crews were thrown into it; great caterpillars crushed a relentless path through the growth—and the trucks jolted after, with men and supplies.

Barely had the base been established, however, when a high wind fanned the flames. They jumped the fire lines and the call went out to abandon camp. Once again the tons of provisions were loaded on the trucks; five drums of gasoline were buried because there was no time to come back after them, and the beaten crew made a scorched and hasty retreat to another line of defense.

This time the defense was made on the line of Grimes Creek, with Pioneerville as a base. Here some 1500 men had their base; better than average mountain roads gave access and supplies poured in in plenty. But the wind once more was too much for the fire fighters, and one bright Tuesday afternoon (an

afternoon that every driver in the Compton service will long remember) the flames shot to the tree tops and began their roaring advance on the defense lines.

Then indeed began a busy time for

"IT has been difficult," M. A. Compton said in a letter accompanying this article, "to give you a graphic picture of just what we were up against, but we presume you can use your imagination where words have been omitted and make the picture clear."

No editing was necessary. The Boise executive has given an effective presentation of the role played by the Compton fleet and drivers in transporting 2,000 fire fighters to the shifting scenes of burning timberland in the face of obstacles and hardships—two weeks of battle which left these warehouse employees weary but happy.

This article might appropriately have been titled "The Siege and Fall of Summit Flats." Read the Compton version.

the drivers. Through swirling clouds of smoke, among flying embers, they moved the men and camps. Less speedy trucks or less skillful drivers found

Before the effective forces could be mobilized against it, the fire had descended on the mining settlement of Quartzberg and wiped it out. It then rushed toward nearby Placerville and was diverted therefrom only by the devoted and united efforts of fire fighters and citizens.

Meanwhile, at forest headquarters, mobilization was proceeding at full speed. The Compton trucks, commandeered by the U. S. Forest Service, were speedily loaded to the guards with men and sent careering over bad roads and over mountain passes, on into the danger zone. The fleet of twenty trucks carried during the fire more than 2000 "smoke eaters" to and from the front lines.

themselves trapped and had to abandon their equipment. The Compton organization came through. Men were carried here and there, wherever danger threatened. They advanced along the forest trails torn out by the tractors, running the gauntlet while flames licked the sides of the trucks.

The forest service, beaten finally, resolved on one more retreat. Men and supplies had to be hauled from the Grimes Creek Valley to a high bleak ridge to the east, known as Summit Flats. The world generally would have said that Summit Flats were inaccessible to motor trucks, for they towered, barren and forbidding, at the head of a narrow canyon through a dense timber. A pack horse trail, seven miles of 32 per cent grade, led from Pioneerville.

Willing to undertake anything once, the Compton drivers loaded men and supplies and were off. Not a truck faltered, and the great movement was completed in unbelievable time.

For four days, while the battle raged in the dense timber, the truck fleet continued its top speed operations, bringing in food to tired and hungry fire fighters, transporting men from one part to another of the hard-pressed lines, ready always to penetrate further into the unknown timber wastes behind if defeat seemed nigh. But the elements were kind this time; the winds died down and the flames were hemmed in and subdued.

Back to Boise drove the weary drivers with loads of fire refugees, household goods, pets, and prized possessions, saved



Refugees in camp near Placerville after the forest fire had destroyed their homes—to them, Compton trucks conveyed American Red Cross tents, bedding, food and supplies. At top, four of the Compton fleet of twenty trucks rushing flame-fighters to the fire front. At left, Tom Compton (with "W" on sweater), of the Compton warehouse organization, with "Micky the Mouse," one of the fire fighters. At right, a tree which Compton drivers had to cut in two while approaching "the front"—a reminder of pioneer days when men hewed their onward paths through virgin forests

from the flames, and wearied to death by a strenuous two weeks of service at the front lines, and conscious of service under conditions as trying as those of real warfare. They returned without the

loss of a piece of equipment or a man. Residents of the hill country are all prepared to give a big slice of the credit for finally checking the fire to the dauntless drivers and their speedy dare-devil

trucks, which revolutionized the art of fire fighting in the forests and made an effective stand possible by their last strenuous climb to the ridge of Summit Flats.

Snyder Petitions for Privilege to Institute Store Door Delivery in Indiana

TOM SNYDER, Indianapolis, acting as secretary of the Store Door Delivery Corporation of that city, filed a petition with the Indiana Public Service Commission on Oct. 13 for permission to operate twelve motor freight lines connecting Indianapolis with virtually all parts of the State and serving 132 other cities and towns.

The freight transport lines and the

number of intermediate towns they serve are as follows:

Indianapolis to New Albany, eleven towns; Indianapolis to Madison, twelve

When you ship goods to a fellow warehouseman—use the Monthly Directory of Warehouses.

towns; Indianapolis to Attica, eleven town; Indianapolis to Harrison, Ohio, twelve towns; Indianapolis to Evansville, eleven towns; Indianapolis to Hammond, eleven towns; Indianapolis to Clinton eight towns; Indianapolis to South Bend, eight towns; Indianapolis to Lawrenceburg, eight towns; Terre Haute to Peru, twelve towns, and Peru to Ft. Wayne, five towns.

MOTOR FREIGHT

Reg. U. S. Patent Office

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By Philip L. Sniffin

THIS MONTH

Handling the Up-Keep Service of a Warehouse Truck Department

SAUCE for the goose is not always sauce for the gander. Good answers to motor truck operating problems in most general lines of business are not always good answers for the warehouseman whose trucks, it must be remembered, are being used under a very different operating principle.

The important subject of vehicle up-keep is typical of those problems connected with truck operation on which the warehousing industry must draw up its own set of rules. The warehouse owner who desires to operate a fleet of motor vehicles with greatest economy can learn much by observing truck practices in other industries, yet in the actual carrying out of truck policies to lower his own costs or to improve his own service, he will do well to bear in mind that his conditions of service are different. For instance:

Much discussion among motor truck engineers has lately centered on the question as to whether truck up-keep service can best be handled by the fleet operator's own service department or by arrangement with outside service stations. Opinion, as applied to users of trucks generally, seems to favor the plan of putting in a service department as a part of the truck user's garage facilities, wherever the number of vehicles employed will

warrant the investment. In the warehousing business, however, we are inclined logically to an entirely different answer. This is an excellent example of how a warehouse owner, who leans too heavily on general observations of truck systems in other lines of business or who takes too literally the general recommendations of truck manufacturers' salesmen, may go far astray from what is actually the best practice in his own particular set of trucking requirements.

There are, to be sure, a good number of warehouse truck fleets which are now being serviced, satisfactorily, by facilities maintained within their own companies. In practically all cases, within the writer's observation, these are companies which represent those exceptions in the warehouse field where truck use can be planned ahead and systematized.

The great majority of warehouse fleets, however, cannot be operated on this basis. Truck use in probably 80 per cent of warehouses throughout the country must, due to irregular needs, be handled from hour to hour during the day, haphazardly. As a result of this it becomes impossible to establish a system which will rotate up-keep work on a definite schedule from one vehicle to another and which is the only principle on which a service department can be maintained satisfactorily.

IN any individual warehouse business the man who is responsible for truck operation has a difficult situation on his hands when he attempts to interlock up-keep facilities with hauling facilities. These two phases of truck service in the warehouse business are almost impossible to combine, except in the cases of the larger warehouses and of those concerns where general trucking or transfer work is carried on to an extent that enables some systematic method to be maintained.

Only in the very large organization can a fleet shop be large enough to justify an investment in all the parts tools and other equipment necessary for good maintenance. For example, one such shop reveals \$100,000 invested in parts, while another fleet carries a stock of parts and unit assemblies valued at twice this sum. Costs of shop buildings likewise

run into big figures—hundreds of thousands to more than a million. Shop forces are large; those numbering 50 to 100 are not uncommon. These figures are of the order of one mechanic to each eight to ten vehicles; parts stocks to something in excess of \$100 per vehicle. The latter figures, of course, do not include investments in land or buildings for the shops.

Meanwhile these facilities and stocks of parts are duplicated by dealers, factory branch or independent shops in the same territory. In the case of parts, the fleet owner carrying parts in stock pays the manufacturer or the dealer a shelf-carrying charge which is included in the net cost of each part. In addition, it costs the fleet owner 10 to 15 per cent to carry parts in stock in the fleet shop and in the outside shop.

In any large private stock of parts

there is a loss from obsolescence because the vehicles for which the parts were purchased have been sold, junked or traded in. On the parts which must be junked there is a total loss in addition to the cost of carrying them in stock until junked.

A large stock of parts requires the services of a group of storekeepers, stock runners, supervisors and clerks, all of whom are non-productive. In spite of the best intended accounting system and efforts of the stockroom force, shortages will be found at stock-taking, and resulting "adjustments" appear in red, not in black, ink.

Men in charge of stockrooms try to keep stocks down, and under present conditions they are "aided" in their efforts by edicts of the management, but nevertheless it is a human trait to over-order rather than to under-order parts.

Over-ordering brings criticism only at widely separated intervals, but being short of parts arouses the ire of shop foremen and mechanics continually.

"Parts" Become Overhead

THERE are, of course, a number of fleet superintendents who defend the idea of carrying a relatively large stock of parts. These men point out that the dealers and manufacturers' parts stockrooms are generally unwilling to deliver parts. The parts stations declare that the added cost of delivery would cut their profit considerably. In answer to this, however, it is safe to say that the average truck owner could well afford to pay this delivery cost as an extra charge if only he can be sure of quick service in obtaining them.

There is plenty of evidence that the overhead and other charges involved in carrying a stock of parts can be avoided without inviting serious maintenance difficulties. There are many truck fleets operating successfully today in which the investment in parts stocks is definitely limited to \$5 per vehicle.

Experienced service managers in large companies are also quick to point out the other duplications with accompanying investments, carrying charges and overhead, which exist in the company's own service station and the outside service station. A garage may be needed in any case, but the shop itself, or the part of the garage building assigned to repair work, is always duplicated in outside shops.

How Tool Stock Affects It

IN the same way, special tool equipment is required for each of the several makes of vehicles making up a given fleet. In some cases the tools are needed to cut down time required for certain jobs; in others the work cannot be done at all without the equipment. Ordinarily depreciation of tool equipment is based on a ten-year life, but special tools must be written off in a shorter period because the vehicles for which the tools are designed are discarded in less than ten years.

Other, but less obvious, handicaps spring up in managing a service shop unless the man in charge takes special precautions to prevent them. Shop mechanics and foremen take special delight in devising and making every manner of gadget, although these items may be obtained on the market for less cost. For illustration—the host of swinging stop signals.

There seems also to be a tendency on the part of the shop force to anticipate repairs to other units when a truck comes in for a specific repair. This results in the doing of certain work or undertaking a major or minor overhaul ahead of time. This fault is found also in outside shops.

Tendencies Worth Watching

A SERVICE station operated in the concern's own garage quite naturally wishes to make a good showing and to keep idle time to a minimum. As a natural result the shop hunts up business when work drops off; a hurry call



THIS van body, weighing 3200 pounds complete with inside pads, and mounted on a Ward-La France chassis, is a de luxe type built for the Reliable Van & Storage Co., Inc., Brooklyn, by Donigan & Nielson, Inc., Brooklyn van body specialists.

Sixteen feet long, 7 feet 2 inches wide and 6 feet 10 inches high, inside dimensions, the body contains 830 cubic feet of payload space without use of tailboard. Panels are of $\frac{5}{8}$ -inch yellow poplar and framework is of oak. The panels, glued into one piece, have a slight "belly" which adds to truck's appearance by emphasizing the lettering.

In the construction screws are used throughout. Floor is of maple. Rear corner posts are of air-seasoned ash. Tailboard is hung on a patent spaceless hinge, and when not in use is flush with rear doors. These doors are hung on piano hinges and are fastened with a three-way lock which has no hardware

on the outside, thus eliminating possible damage to tailboard loads. Instead of rope knobs, chromium plated one-inch brass tubing is used, adding to attractiveness of appearance. In the rear skirt is a metal recess for license plate and rear light. The rear fenders are a Donigan & Nielson product. Roof covering is of 10-ounce canvas duck.

There are two inside dome lights, two front and two rear marker lights. The wooden framework around windshield and the top section of vestibule doors are varnished natural wood. The vestibule accommodates four men with comfort; there are spring seat cushions and regular lazy back. Peak is 20 inches deep, allowing considerable packing space. On either side of body are tool boxes convenient for dollys, ropes and hoisting tackle.

The job is custom made and painted to suit.

is sent to the operating department to send in as many trucks as can be spared for repairs. Again work is done before it is really needed.

Not least of the problems connected with shop management is the effect which a large shop has on the fleet superintendent. The shop, at best, takes a lot of his time and interest. Frequently it overshadows his other responsibilities. He is all wrapped up in making the shop pay and neglects the economies of running vehicles on roads.

Turning all maintenance work, except running repairs, over to outside shops brings certain incidental savings frequently overlooked. Consider jobs which go bad—and where is the shop which makes a 100 per cent record year after year? In the company's own shop the job is done over at additional cost. The service station must guarantee its work and make good.

Paper work, detested by shop men, is reduced because service stations do the bookkeeping and forward bills sufficiently itemized to permit careful checking. Fleet accounting is not eliminated but it is simplified.

Peaks and hollows, rushed-with-work and idle periods, turn up in the best managed fleet shops, in many instances because of seasonal variations in the business of the establishment owning the fleet. They reduce shop efficiency

because the shop, if large enough for peaks, is partly idle some of the time; or, if it is too small for peaks, trucks are held up for repairs during rush seasons.

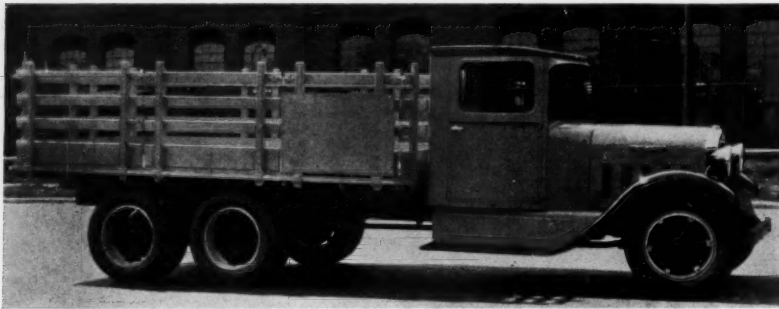
Hills and dales in volume of service required by one fleet impose little tax upon an outside service station because a rush in one offsets a slack time in another.

Should Work Be Divided?

JUST to forestall misunderstandings or arguments about non-essentials, let us agree that no fleet shop is entirely self-contained and thus able to perform all, sundry and various of the jobs which are, or hereafter may be, required to keep a fleet running. They send some work elsewhere, and so do the dealer, factory branch and independent shops. Likewise, even the smallest fleet—for example, a one-vehicle huckster route—performs some of the elementary maintenance operations for itself.

We are concerned with general policies—with a decision whether to do all work in a fleet shop which may reasonably be done in such an establishment or to turn most of the work over to others, reserving for the fleet organization preventive maintenance and running repairs, or, in some cases, none at all.

With repairs sent outside, a fleet may be maintained with one employee for



Federal's new dual 6-wheeler—see description below

each 15 to 30 vehicles; and, as previously stated, with \$5.00 per vehicle invested in parts. The man in charge of operation of a fleet is vitally interested in the amount of "time out" for repairs. Records such as an average of only ten hours idle time per vehicle per year for repairs are being made by fleets operating under the plan suggested.

Under this plan the fleet owner attends to filling with gasoline, lubrications, adding and changing crankcase oil, washing, and tinkering repairs. He also employs inspectors who visit the vehicles regularly, inspect them, make adjustments and perform preventive maintenance operations so far as they can be carried out in the open or in garage storage space.

He does not surrender control over maintenance of the fleet by turning work over to others. The inspectors decide what repairs are to be made; if there is any doubt, an inspector goes to the outside service station and looks over a unit after it is opened up. Of course it sometimes happens that the inspector authorizes specific repairs and when the truck reaches the shop the inspector there finds, after disassembling, that something else should be done. In such cases they have the service station men get in touch with the inspectors and come to an understanding before proceeding with additional work.

When the unit is opened for repairs, only those parts should be replaced which actually require replacement. The number of parts discarded in a truck which will soon be turned in will, of course, be different than in trucks which will be kept in service for several years more.

Inspecting Outside Work

FLEET owners with their own shops know how repair work is being done, and they are concerned about giving up this supervision and check. With the work secured in outside shops this is accomplished by reserving the right to have the inspectors go into any shop doing such work, at any time. They do not hang around shops hour after hour checking up on every detail of every job, but in the course of their work they visit shops often enough to enable them to know what is going on. This sort of "sampling" inspection has proved effective.

Repairs to bodies are handled like

mechanical repairs except that the nature of the work calls for more individual attention by the inspectors.

It is a certainty that many operators will challenge these conclusions, doubt the facts and seek to confound them with tales of shortcomings of individual service stations.

No truck fleet can be changed overnight from its own maintenance to outside maintenance without getting into trouble. The job of taking care of a fleet calls for cooperation between both parties. The outside service stations must do some things to prepare for fleet business; the fleet organization likewise must do its part.

New Models

FEDERAL Motor Truck Company, Detroit: Following introduction of its single drive 3-ton 6-wheeler about a year ago, Federal now presents a dual drive 6-wheeler with 6-wheel hydraulic brakes, of the same capacity, available in 4-cylinder and 6-cylinder engines at \$1,350 and \$1,450, respectively for standard chassis, f.o.b. Detroit. The 4-cylinder is supplied in 140-inch and 164-inch wheelbases, and the 6-cylinder in 145-inch and 169-inch wheelbases.

The dual drive of this newcomer was developed by Federal engineers. Patented features include the spring suspension and reservoir method of lubricating trunnion pins. Power is applied to the four rear wheels through two bevel drive full-floating rear axles with over-size differentials and driving gears.

Aside from the dual drive feature, the truck is basically the same as the single drive 6-wheeler. It is built by Federal as a complete transportation unit, with the dual drive 6-wheel feature designed and engineered into the chassis.

La France-Republic Corp., Alma, Mich.: The "Highway Mogul," a 20-ton 240 h.p., 12-cylinder truck, is announced, designed for fast hauling of freight. Its powerplant is an American-LaFrance 12-cylinder engine, a Long model 34A two plate, 14-inch clutch, and a Brown-Lipe model 714 4-speed transmission mounted in unit with the engine.

An unusual feature of this vehicle, Model Q, is that the 6-wheel Timken unit, available in either worm or double reduction drive, is mounted directly to

the frame on trunnions without intermediate springs. Road irregularities with the loaded truck are absorbed by the large diameter low-pressure tires. A Westinghouse air compressor is mounted on the engine and is lubricated directly from the engine oil pump. The truck is available also with 2-wheel equipment at the rear.

Maccar-Pittsburgh Truck Co., Pittsburgh, Pa.: A springless type of mounting and suspension is incorporated in a new 4-wheel drive 6-wheeler. Eliminating rear springs, shackles, bracelets, radius rods and similar parts brings about a saving of approximately one ton, according to the designer.

This Maccar vehicle incorporates a Sterling Petrel 6-cylinder engine and 7-speed transmission. Westinghouse air brakes are installed on all three axles. Tires are 11.25 balloons, single in front and dual rears. It is the cushioning effect of these tires and the equalization of load and impacts from the rear axle assembly unit that make it not only possible but desirable to eliminate rear springs, according to the designer.

Stewart Motor Corporation, Buffalo, N. Y.: Production is announced of a new 8 in-line—a 3-ton chassis, Model 48-8, listing at \$2,990. Capable of 50 m.p.h., it was designed for long distance movers, haulers, and all types of work demanding high speed, and is offered in three wheelbases—150, 160 and 170 inches. Longer one—180, 196, 226 and 241 inches—are at extra cost.

The engine is a Lycoming AE. Mounted in unit with it are a Brown-Lipe disk clutch and a 4-speed Brown-Lipe transmission. Final drive is through a spiral bevel Clark axle. Service brakes are Bendix Deo Servo 4-wheel, mechanically operated by rods on the rear and by cable on front, and amplified by a B-K vacuum booster. Wheels are cast steel hollow spoketype fitted with 8.25/20 balloons all around with dual rears.

Stoughton Enters Trailer Business

THE Stoughton Company, Stoughton, Wis., makers of wagons and commercial truck bodies, is now engaging in the manufacture of trailer and truck equipment. Announcement is made by the president, F. J. Vea, that Charles R. Jahn, formerly sales manager of the Highway Trailer Co., has been appointed general manager of Stoughton's newly-formed division.

The Stoughton organization, with a plant covering thirteen acres, was established in 1855 and has been making automotive trucks, bodies and wagons of all kinds. It promises now a standard line of trailers embodying several new and exclusive features in design and construction. A new standardization of models and a distributor program will be announced in due time, according to Mr. Vea.

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of *general interest* to the industry as a whole. No effort is made to publish complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

"ConnWA" Reelects Schaefer President and Contributes to Gallagher Removals Fund

WILLIAM H. SCHAEFER, president of William H. Schaefer & Son, Inc., Stamford, and his entire slate of officers were voted back into office for another term by the Connecticut Warehousemen's Association at the annual meeting on Oct. 8 in Hotel Taft in New Haven. Mr. Schaefer demurred on grounds of business pressure but was over-ruled by the membership.

The association voted to send a check for \$50 to William Gallagher, of the Gallagher Storage & Transfer Co., New Orleans, to aid that concern in its Supreme Court fight against a city ordinance forcing movers to notify police of all household moving jobs.

Discussion on the motion brought out the fact that such an ordinance was now in force in Hartford and West Hartford. It was stated that several movers were recently fined from \$5 to \$25 for failure to report their jobs. Blanks, somewhat similar in appearance to those used in New Orleans, are furnished moving concerns and must be filled with the town clerk.

A number of individual members of

the association said they would make private contributions to the cause of the New Orleans concern, which is under heavy expense in the litigation.

It was voted to encourage the practice of bringing employees to meetings of the association, Leonard S. Clark taking the lead in a discussion on the matter. Mr. Clark, seconded by President Schaefer, Secretary W. R. Palmer, and others, declared that chauffeurs and other workers could glean a great deal from the meeting discussions. A plan under which members would rotate in bringing their employees to the meetings was adopted. The arrangement will be inaugurated at the November meeting.

A legal opinion to the effect that, under the present Connecticut law, a warehouseman's storage charges do not take precedence over a conditional bill of sale except in cases where the conditional vendor fails to claim the goods, was read and discussed.

Secretary Palmer issued a warning that warehousemen could not be too careful in selecting companies to write their insurance. He reported that several insurance companies, generally presumed to be strong, were actually in precarious financial condition.

Among other subjects which came up for discussion were excess valuation of stored goods; auctions; and the question of legal ownership in cases where two persons' names are signed to storage papers.

The report of the nominating committee, renaming the entire slate, was presented by Acting Chairman Frank E. Hess, Waterbury. In addition to President Schaefer, the list is as follows:

First vice-president, C. A. Moore, vice-president Moore's Storage Warehouse, Inc., Bridgeport.

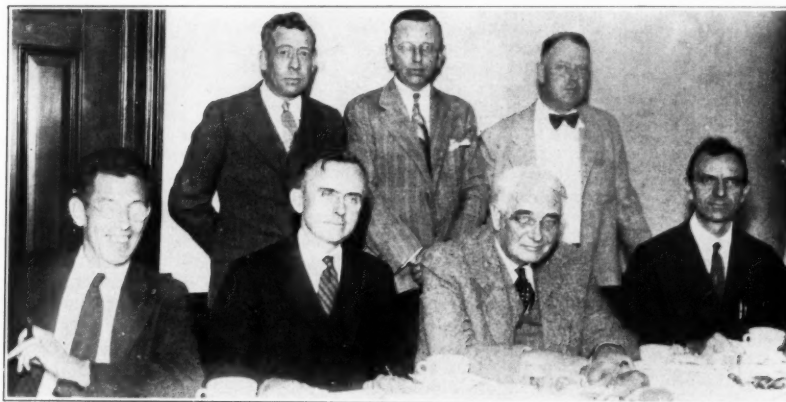
Second vice-president, J. W. Connelly, secretary Hartford Despatch and Warehouse Co., Hartford.

Secretary, William R. Palmer, secretary The Smedley Company, New Haven.

Treasurer, A. F. Gabriel, assistant secretary Bridgeport Storage Warehouse Co., Bridgeport.

Executive committee members elected are Leonard S. Clark, treasurer Henry G. Drinkwater's Sons, Inc., Greenwich; Charles B. Gardner, partner Gardner Storage Co., New London; R. M. Ford, president The W. M. Terry Co., Bridgeport; F. W. Valentine, secretary Durham Storage Co., New Haven; and Frank E. Hess, president The Blakeslee Co., Waterbury.

—Charles B. Barr.



Officers of the Connecticut Warehousemen's Association. Seated, left to right, C. A. Moore, first vice-president; William H. Schaefer, president; William R. Palmer, secretary, and A. F. Gabriel, treasurer. Standing, left to right, Leonard S. Clark and Frank E. Hess, of the executive committee, and Edward G. Mooney, who, a past president of "ConnWA," is Connecticut and Rhode Island director of the Allied Van Lines of the N. F. W. A.

New York Body Withholds Support for New Orleans Removals Statute Battle

THE New York Furniture Warehousemen's Association at its October meeting, held at the Aldine Club, did not take affirmative action in response to the plea broadcast by William Gallagher, president of the Gallagher Transfer & Storage Co., New Orleans, for contributions in support of the effort by certain New Orleans household goods storage interests, Mr. Gallagher included, to have the United States Supreme Court rule as to the constitutionality of the New Orleans city ordinance requiring moving and transfer companies to report changes in addresses of customers whose household effects are removed. How and why this legal battle has been carried to the country's highest tribunal was told in the October issue of *Distribution and Warehousing*.

The New York organization's decision not to assist the New Orleans warehousemen financially in their effort was premised on the fact that the board of the directors of the National Furniture Warehousemen's Association had not given its endorsement.

William T. Bostwick, secretary of the New York F. W. A. and eastern vice-president of the National, told the New York group that it was the sentiment of the National that the plan should be dropped, the National feeling that it was a "dangerous proposition," and he urged that it would be unwise to respond to Mr. Gallagher's request in the face of the National's non-indorsement. One N. Y. F. W. A. member announced he had already sent Mr. Gallagher a \$10 check.

The Illinois Law

A letter was read from Henry Reimers, Chicago, executive secretary of the National, calling attention to the new Illinois law—see page 43 of the October *Distribution and Warehousing*—which in effect forbids persons or firms to advertise storage or warehouse facilities unless they actually provide such facilities. There was discussion as to whether such a law would be justified in New York State, and it was decided to consider the situation further at the New York association's November gathering. Meanwhile Mr. Bostwick will mail copies of the Illinois statute to the members.

At a special September meeting of the association adopted a resolution indorsing the action taken by the National, at its Mackinac convention in July, that members of the National who entered into contracts or agreements with long distance hauling competitors of the Nation's Allied Van Lines "shall be deemed guilty of failing to cooperate and not entitled to the benefits of association relations and shall forthwith be requested to tender their resignations upon pain of being expelled."

Discussion at the September and October meetings disclosed tentative plans by the New York F. W. A. to retain an executive secretary.

—K. B. S.



James F. Duffy, recently elected president of the Colorado Transfer & Warehousemen's Association. Mr. Duffy is identified with the Denver company bearing his name

Central Illinois Group Commends Kennelly Story in "American Magazine"

WITH 53 per cent of its membership represented, the Central Warehousemen's Association held its twenty-sixth meeting on Oct. 12-13 at the Hotel Custer in Galesburg.

A resolution was adopted extending to the Crowell Publishing Co., publishers of *The American Magazine*, the association's "sincerest thanks for the favorable publicity given the moving department of our industry" through the article "It All Comes Out on Moving Day," by Martin H. Kennelly, Chicago, president of the National Furniture Warehousemen's Association, in the October issue of *The American Magazine*.

Another memorial adopted felicitated all past administrations of the Central Illinois organization "on their splendid record of accomplishments," and created the title of "past president" for Clarence A. Ullman, Peoria; A. W. Hillier, Springfield; H. J. Crandall, Moline; C. B. Hall, Danville, and E. L. Valentine, Aurora.

Discussion developed consensus that members accepting household goods from competitive long distance moving concerns should issue warehouse receipts only in the names of the owners of the goods. This was in line with a suggestion received from Henry Reimers, Chicago, executive secretary of the N. F. W. A.

In a paper on compensation insurance E. L. Valentine advocated it was a wise precaution for members to have such coverage to include pick-up help that might be used in other States.

Reporting on sales promotion, John G. Petritz, Rockford, suggested the use of building fronts in downtown locations for advertising signs, when the second

floor was vacant. With second floors often difficult to rent, he pointed out, such advantageous locations for signs could be had for nominal rental.

A committee was authorized to meet at an early date in Springfield, the State's capital, to formulate plans for solving the trucking situation. It is expected that the committee will analyze present laws of other States and compile recommendations covering regulation for presentation at the next meeting of the Illinois Legislature. Fred W. Bohl, Galesburg, is chairman of this committee and the other members are Alexander Scherer, Ottawa; John G. Petritz, Rockford; E. L. Valentine, Aurora; Thomas Lawrence, Springfield; H. J. Crandall, Moline, and Charles T. Mackness, Jacksonville.

The association's next meeting will be held in Jacksonville on Feb. 22-23.

—Russell E. Hillier.

Cleveland F. W. A. Reelects Woodruff as Its President

THE Cleveland Furniture Warehousemen's Association at its annual meeting, held in the Hotel Winton on Oct. 12, re-elected its officers, as follows:

President, R. H. Woodruff, treasurer Andrews Furniture Storage Co.

Vice-president, J. J. Gund, president Lakewood Storage, Inc.

Secretary-treasurer, W. H. Turner, treasurer, Lincoln Storage Co.

About twenty members and guests attended the dinner and meeting, the guests including Paul J. Herbert, Youngstown; L. J. Daniels, Akron; R. W. Andrews of the New York Central, and G. R. Littell of the Baltimore & Ohio.

Mr. Andrews and Mr. Littell, representing the Cleveland Freight Agents Association, emphasized the necessity for close cooperation in conducting business today. Alluding to agreement between their organization and the Cleveland F. W. A., they pointed out that it had been in force ten years without a single case for arbitration.

It was the consensus that the worst of the depression was over, and that in a few months the industry would be enjoying a fair amount of business.

Massachusetts W. A. Holds Annual Outing

THIRTY-SEVEN member representatives and guests attended the seventh annual outing of the Massachusetts Warehousemen's Association at the Framingham Country Club on Sept. 24. R. M. Tyler, Boston, vice-president, was in the chair at the dinner session in the absence of the president, Samuel G. Spear, Boston. The guests included Chester B. Carruth, Chicago, statistician of the merchandise division of the American Warehousemen's Association, who gave a brief account of his field activities around the country.

Mr. Carruth "slipped something over" on the association by introducing a sup-

posed Captain De Lucca, former Italian Air Corps ace engaged in operating a household goods warehouse in his native land. This visitor presented his impressions of warehousing in America. Questions as to his opinions of Mussolini brought out that the speaker was a New-tonville insurance expert.

—C. Frederick Wellington.

Denver Local Chooses Amick New President

THE Movers and Warehousemen's Association of Denver at a recent meeting elected officers as follows:

President, A. H. Amick, president Amick Transfer & Storage Co. He succeeds William H. Buehler, president Buehler Transfer Co.

Vice-president, Fred C. Bartle, president Merchants Storage & Transfer Co. Secretary and treasurer, R. W. Johnson, operating executive Johnson Storage & Moving Co.

W. C. Vandegrift, executive secretary of the Colorado Transfer & Warehousemen's Association, continues as executive secretary of the Denver local.

Philadelphia Group Inaugurates Liaison With N. F. W. A. Work

THE Philadelphia Chapter of the Pennsylvania Furniture Warehousemen's Association has started to function smoothly and effectively under the recently decided upon "direct liaison" arrangement between chairmen of the National Furniture Warehousemen's Association committees and chairmen of the corresponding regional, State and local committees with reference to coordination of meeting-programs with uniform topics of discussion, and committee work. Through the workings of this plan of increased cooperation it is believed that the National association can show much greater activity, aided by the diversity of subjects discussed through the winter. Through permanent committees in the various regional, State and local associations reporting back to the like National committee chairmen, who in turn will report to the National association such findings as have been made, including the development of ideas, the N. F. W. A., it is thought, will secure a complete picture which will prove of much assistance for future work.

Henry Reimers, Chicago, executive secretary of the N. F. W. A., at the beginning of President Martin H. Kennelly's term announced a general change in the line-up of committees. The National grouping thus made of the standard committees was as follows: arbitration; auxiliary department; claim and accident prevention; employer and employee relations; insurance, laws and legislation; local moving; membership; packing department; sales promotion; shipping department; statistics, and storage depart-

ment. The P. F. W. A. straightway set about renaming its existing committees and fixing their functions to agree with the work of the corresponding National committees. The following shortened reclassification, offered by Secretary J. Wallace Fager and approved, is as follows:

I—Warehouseman in His Relations With Others: With the Government (laws and legislation committee); with warehousemen and the public (arbitration, insurance, claim and accident prevention committees); with labor (employer and employee relations committee).

II—Sales: (publicity and sales promotion committee).

III—Operation: (local moving, packing, shipping, storage, and auxiliary department committees).

Position Wanted

PREFERABLY in Kansas City, Mo., by man with fifteen years' experience in warehousing in the Southwest.

Am familiar with the business in all its branches—household goods, merchandise distribution, freight lines, universal accounting, advertising, etc.

Executive ability. Excellent references. Now employed.

Address Box T-869, care of Distribution and Warehousing, 249 West 39th Street, New York City.

IV—Administration: (statistics committee).

V—Association: (membership committee).

The Philadelphia Chapter tackled its first definite subject under the new coordinated meeting-programs plan at the Elks Club on Oct. 13, at the business meeting following dinner and special entertainment. President Buell G. Miller presided and upwards of thirty members and guests were present. The subject for discussion was "Suggestions for Increasing Moving Profits," in accordance with the request of President Kennelly of the National, that all local associations feature "local moving" at their October meeting using the key topics of the N. F. W. A. summer meeting as a guide. Mimeographed sheets, outlining the various angles of approach to the main subject, were passed among the members. The listing, in order, was as follows:

1—Classification: (a) factors which may not be controlled by rules; (b) factors which may be controlled by set rules.

2—Operation: (a) number of men on vans; (b) private vs. public garage; (c) sales-operating coordination; (d) booking hours: 8:00, 10:30, 1:00, 3:30, 6:00; (e) dispatcher's follow-up.

3—Truck Cost Record: (This was a reproduction of such a sheet).

4—Selection of Equipment: Size, speed cost.

5—Meeting "Small Mover" Competition: (a) don't knock a competitor—customers respect sportsmanship; (b) educate the public to "thoughtful, careful service"; (c) "carry through" on complaints of overcharge, damage or faulty service; (d) invite criticism—when it comes, find a cure; (e) admit your faults.

6—Sales Levels: (a) variation throughout country; (b) four to five-room apartment averages; (c) need for increases.

7—Graduated Rate Scales: (a) a discount to the customer who adapts himself to the warehousemen's time; afternoon time; complaints on per hour movings; (b) a discount to small movings; (c) rates according to declared value; (d) reductions between "peaks" during month; (e) classified truck personnel.

8—Advantage of Tractor-Trailers.

9—Advertising Credit to Vans.

10—Dispatch Efficiency: (a) centralized control; (b) "Where are my trucks?"

11—Removable Van Bodies.

While not all the subdivisions and phases of the general subject were thoroughly discussed, or findings made thereon, there were a number of interesting recommendations forthcoming and developments brought out. For example, it was recommended that three men be a minimum on any van for a local moving operation, it being agreed there would be no economy in having fewer than that number. With regard to the comparative advantage of the private and the public garage, the finding of the meeting was that this depends on the number of vehicles used by the warehouseman, and their age. As to favored booking hours, some members argued that 7:30 a.m. instead of 8:00, and 12:30 instead of 1:00, would work out to better advantage, except in the case of union employees who might be obliged, under union rules, not to begin at the earlier hour. The value of carefully kept records of vans was brought out.

In a lengthy discussion of the selection of equipment the opinion prevailed that, for a van of 1000 cu. ft. capacity, the right price would be from \$6,000 to \$7,000; for one of 800 cu. ft., about \$4,500; and for a van containing 600 cu. ft., anywhere from \$3,700 to \$4,500. One member said it cost him \$125 for painting a van body, with an extra amount for the lettering. It was also brought out that a good van body having the approved streamline form and low skirt would cost about \$1,500.

It was the consensus that the plan of coordinated meeting-programs is constructive that it should provide improved ideas upon which to work for the future.

—K. H. Lansing.

N.F.W.A.'s Annual Is Deferred Until June

Next June 20, 21, 22 and 23 have been selected for the 1932 convention of the National Furniture Warehousemen's Association. Hotel headquarters are yet to be designated.

Regulation of Trucks and Forwarders Is Foreseen in the I. C. C. Rate Decision

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

FROM warehousing's viewpoint those portions of the Interstate Commerce Commission's decision in Ex Parte 103 (involving the railroads' application for a 15 per cent freight rate increase), which deal with the railroads' future, with truck competition and regulation, and with regulation of car forwarding companies, probably are more important than the revolutionary suggestion of a freight rate increase to be controlled by a pooling of revenues by the carriers.

As this was written the railroads had not had time to discuss collectively the Commission's suggestion for increasing their revenues by \$100,000,000 to \$125,000,000 annually. Consequently there was no way of telling whether shippers actually would be faced with a freight rate increase or whether the Commission's plan was just another suggestion to go unheeded.

While the Commission's suggestion itself is decidedly interesting, being the first time that such a pooling of revenue has been put forth as a means of saving the railroads (excepting the recapture provisions of the interstate commerce Act), its discussion of the situation in which the railroads now find themselves is even more interesting.

On reading the opinion, from which there was only one dissent—that of Commissioner Tate, who objected only to the increased-rates plan and who concurred in all the discussion—the impression is gained that the Commission has doubts as to the necessity, or even desirability, of a rate increase at this time, save from the standpoint of bolstering railroad credit.

The Commission concedes that, while railroad security owners seem to be over-pessimistic about the stability of railroad credit, the situation is "ominous" and "has in it the element of panic."

"That it (the present situation) reflects a present loss of confidence in and distrust of the railroad securities available for marketing purposes, as a reliable and stable investment, cannot be gainsaid," the Commission said, "and if this distrust is prolonged for any considerable period of time the results are likely to be very serious, both in their immediate effect on the railroads themselves and in their indirect effect upon the financial situation generally."

The Commission declared that in its belief the decline in freight traffic was due predominantly to the business depression. It said, however, that the distrust in railroad securities inspired by the effects of depression "has been much accentuated by the rather sudden awakening to the fact that the railroads are now faced by serious competition from other, largely new, and developing means of transportation."

"And," the Commission added, "it has been further intensified by the wide-

spread publicity which the railroads and the holders of securities have deemed necessary in the pursuit of restrictive and regulatory legislation for the other form of transportation and the proposed rate increase. The final result is that the situation now has in it the element of panic."

"This overshadowing pessimism, like the optimism of 1928, is undue and will be corrected in the natural course of events. But in the meantime it is a fact that must be reckoned with. The question is whether a 15 per cent increase in freight rates is an effective, reasonable and lawful way to meet the situation."

Though admitting that the present outlook for railroad securities may be dark, the Commission expressed its con-

Business Opportunity

NET lease affording publicity, accessibility, low rental, in Holland Tube zone, New York City.

Suitable: store display, offices, stocking, servicing for metropolitan and export distribution.

Building: 2 prominent street frontages. Receiving and shipping free from traffic interference. Six stories and basement, 25 by 100 ft.; large elevator; lift; chute; steam; heavy construction.

Location: West Broadway through to North Moore Street (next door to Varick Street) between 7th and 8th Aves. subway stations, few feet to each. Post Office and Holland Tube at hand.

Owner, Smith, 228 West Broadway, New York City.

fidence in the railroads in a chapter of the decision devoted to "The Railroad Future."

"The railroads now furnish the backbone and most of the other vital bones of the transportation system of the country," the Commission asserted, "and we believe this will be the situation for a long time to come. We are not impressed with the thought that they are doomed, in anything like the near future, to go the way of the stage coach and canal."

As to motor trucks, the Commission pointed out such competition was not a factor in previous cases before it involving either general increases or general reductions in rates. Trucking is a new form of competition which the railroads must face, the Commission said, though it should be regulated.

Congress and the State legislatures should direct their attention to the "proper regulation in the public interest" of all forms of transportation which compete with the railroads, the Commission said.

"In this we include such restrictions on the size and weight of trucks and
(Continued on page 44)

Supreme Court Ruling on New Orleans Removals Law May Not Come for Months

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

AS this issue of *Distribution and Warehousing* went to press, no decision had been made by the United States Supreme Court as to issuance of a writ of certiorari in the case involving the New Orleans city ordinance requiring moving and transfer companies to report changes in addresses of customers for whom household effects are moved.

If the Court decides to issue a writ of certiorari, it will summon the record from the United States Circuit Court of Appeals for the Fifth Circuit, the Court next below the Supreme Court, for review.

If the writ is granted, the case will be set down for argument and briefs may be filed by opposing counsel. In that event, argument probably would not be held for several months and a final decision could not be expected for some months after argument.

In passing on applications for writs of certiorari, the Supreme Court does not consider the merits of the case involved, but merely on whether the decision of the lower Court is constitutional.

—Stephens Rippey.

New Philatelic Work by "D. and W.'s" Editor

DISTRIBUTION AND WAREHOUSING'S editor, Kent B. Stiles, has completed a book which will be published on Nov. 28 by Whittlesey House, McGraw-Hill Book Co., 370 Seventh Avenue, New York City.

Containing 70,000 words and 160 illustrations, it is titled "Geography and Stamps" and is the story of exploration, discovery and world expansion, from the days of Columbus and Toscanelli to the modern era of the partitioning of Africa and the exploits of the Graf Zeppelin, as reflected by the designs of nations' postal paper. Quoting the "blurb" on the book's jacket:

"It is something more than a tale of romance and valor and adventure, however, for it offers unprecedented reference material of unique value to stamp collectors and to those parents who encourage their children's interest in the educational hobby called stamp collecting. For the first time between two covers appears here the essential information which identifies, geographically and politically, every stamp-issuing country of the past and present. Lost and forgotten lands are rediscovered through their surviving postal paper; why they disappeared, and where they went, and what countries succeeded them and by what wars and what treaties—all this is told by Mr. Stiles, author of the popular 'Stamps—An Outline of Philately' (Harper's, 1929) and the stamp department editor of *The American Boy—Youth's Companion*."

The book sells for \$3.

A New Fork Type Machine Produced by Elwell-Parker

FOR organizations which cannot utilize the skids system for materials handling the Elwell-Parker Electrical Co., Cleveland, has developed a machine, with 6000 pounds' capacity, of the work type, a pair of forks being applied to the front end of an electric lift truck platform.

This truck is built to accommodate either a battery or gas-electric unit for power purposes, all operating safety features being retained in the gas-electric and the electric controller, avoiding the use of either clutch or transmission, eliminating much wear and tear on the equipment with a consequent assurance of continuous operation.

The truck is driven by motor through worm and gear; all power transmission parts between motor and wheel are heat-treated alloy steel except the phosphor bronze worm wheel. Nickel steel four bevel pinion differential, drop forged and ground differential cross, drop forged and ground brake wheel, drop forged differential cage, molybdenum double-heat-treated drive shafts, chrome vanadium multi-heat-treated and ground universal joints and drop forged wheel driving clutch plates are features. The drive wheels are the largest used on electric industrial trucks—22 inches in diameter. The power plant is three point supported to accommodate it to uneven runways.

The trail axle is likewise of the knuckle type and its 15 by 7 inch wheels steer as do those on the drive axle, so that the truck may be maneuvered in congested quarters by means of the hand wheel steer. This axle is centrally pivoted so that the load forks in front of it are level even though the wheels are not on level floors.

Broadly Adaptable

The forks are made in various lengths and with varying spreads to accommodate any material—sheet metal, castings, forging, boxed glass, sewer pipe, boxes, coils, bags, bales, barrels, reels, drums, paper rolls, crated machines, loaded skids or dump bodies; or they can be fitted with crane boom to handle motors and in assembly of machines. Also they stack stock to great heights. After the forks are thrust under the load it may be tilted back 30 degrees in a sufficiently inclined position to carry safely to destination, where load may be elevated five feet for tiering.

When higher tiering is necessary, the uprights are made longer so that the fork carriage which travels in it may rise to greater heights. Where headroom is restricted, as in cars or through doorways, and it is desired to tier loads to great heights later, telescoping uprights will be furnished.

The tilt and hoist features are accomplished by one unit. The lift is by cable, while the positive tilt is by rack and pinion drive. Likewise the rack type provides for a positive forward tilt of uprights of several degrees. Automatic limit switches used throughout.

Position Wanted

WITH high class warehouse. Any location. Sixteen years' experience soliciting, packing, cartage and shipping, household goods, by freight and van. Also merchandise experience, Chicago and Omaha.

References furnished on application.

Address Box W-475, care of *Distribution and Warehousing*, 249 West 39th Street, New York City.

Improved "Jak-Tung"

For warehouse and industrial use an improved "Jak-Tung" truck has been placed in production by the Howe Chain Co., Muskegon, Mich. It is adaptable as hand truck or trailer and for the temporary storage of materials.

This device is described in the Howe organization's Folder No. 129.

W. F. Evans Heads Central - Michigan Merger in Detroit

CONSOLIDATION of the Central Detroit Warehouse Co. and the Michigan Terminal Warehouse Corp., the plans for which were announced some months ago in *Distribution and Warehousing*, was completed at a meeting of the interested executives in Detroit on Oct. 13.

The merger creates one of the largest merchandise storage organizations in Michigan, with floor space exceeding 500,000 sq. ft. The plants are located at Tenth and Fort Streets and Wyoming and Brandt Avenues.

Wellington Evans, who was president of the Michigan Terminal, was elected president of the new firm, known as the Central Detroit Warehouse Co. Lawrence J. Toomey and Frank W. Hutchings of the Union Guardian Co. were chosen vice-president and treasurer respectively. The secretatry is H. F. Taber, who was treasurer of the Michigan Terminal. To the board of directors were added Wellington F. Evans, E. E. Keller, Hal H. Smith and W. G. Lerchen.

Millers on a Honeymoon



Picture, taken at Atlantic City, N. J., of Buell G. Miller, president of the Miller North Broad Storage Co., Philadelphia, and Mrs. Miller, nee Lenna O. Allen, formerly cashier of Smith's Transfer & Storage Co., Washington, D. C. They were married in Washington on Aug. 15

Regulation of Trucks and Forwarders Is Foreseen in the I.C.C. Rate Decision

(Continued from page 42)

their lading, as public safety may dictate; such taxation of trucks and buses as may be necessary to impose upon them a fair share of the burden of the public highways which they use; such supervision of truck and bus common carrier lines as may be necessary to avoid destructive and wasteful competition, and such regulation of their rates and service as the public interest may require."

That its report on the coordination of rail and motor service will be made public within a short time was forecast when the Commission said the report "is now in progress." The data in the report, the Commission said, will be supplemented with specific recommendations for legislation.

The car-forwarding companies, the Commission declared, present a situation in the transportation field which calls for public regulation. There seems to be no difference of opinion on that point, the Commission said.

"It is not unlikely that the service performed by these companies can, with profit to the railroads and advantage to the country, be made a definite part of railroad service," it said.

The Spur of Adversity

Recognizing that railroads face "new conditions which compel changes in methods of operation, manner of service and price policies," the Commission went on:

"It is a situation which frequently confronts private, competitive industries, and they have become accustomed to such readjustments by force of necessity. It is different with the railroads. Although they have never had a complete transportation monopoly, they have in the past occupied the field with sufficient exclusiveness so that, apart from competition with each other, their habits of thought are less flexible and not so well adapted to facing and meeting new competitive conditions. This they must now do. The spur of present adversity will no doubt help to that end."

In this connection the Commission declared that "foremost among the problems to be solved is that presented by the passenger service." It pointed out that, broadly speaking, the passenger service deficit would just about make up the amount of money (\$450,000,000) which the railroads sought to obtain through the 15 per cent increase.

"In other words," the Commission continued, "if the carriers were able to conduct the passenger business as profitably as the freight business, they would even now, under adversity in a period of great depression, be earning enough to stabilize their credit situation. The freight business as a whole is doing reasonably well, present conditions considered."

The Commission pointed out that much

more could be done in the way of pooling passenger train service, and that it might be advisable for some railroads to retire from the passenger business entirely. This situation, the Commission declared, is "plainly in need of drastic attention."

"So far as freight service is concerned, the railroads have so many and so great inherent advantages of economy, particularly in the case of the longer hauls and the heavier traffic, that we cannot believe that they will not be able to withstand the competition of the motor trucks," the Commission said.

"It may be that some traffic must permanently be surrendered to the trucks, but for the most part it is traffic on which the railroads have always claimed that they lost money. To meet this situation effectively, however, it is evident that radical changes in services and rates must be made. Means, mechanical and otherwise, of making the necessary

Position Wanted

BY young, intelligent, alert man qualified to take complete charge of a modern household goods warehouse business. Am familiar with the business in all its branches.

Age 30. Single. Prefer New York or New Jersey.

Address Box V-374, care of *Distribution and Warehousing*, 249 West 39th Street, New York City.

charges in service are already beginning to appear in the foreground in rapidly increasing volume.

"They will require trial and test to demonstrate their efficiency, but that some of them will at length pass through the experimental stage to successful adoption we have no doubt. So far as rates are concerned, it is clear that the present structure have developed under principles and theories which gave no thought to the competitive agencies of transportation which now exist. As a result the rates often open a door to effective competition which might well be closed. It is evident that the traffic department must give new thought to the rate structure in the light of existing conditions.

"The new competitive conditions make it necessary, also, for the railroads to cooperate more efficiently with each other and reduce the waste, both in service and in rates, which has marked their own competition. That this waste is of very large proportions is clear. Many specific instances have been brought to our attention. That it can be minimized we also have no doubt, but that this will require a greater degree of cooperation than the railroad executives have yet been willing to put into practice is plain.

(Concluded on page 46)

Festival Impersonation of Lincoln Wins Trophy for the Lincoln Company

THE Lincoln Storage Company, Cleveland, was awarded the first prize for the most unique feature in the parade of the University Circle Festival in Cleveland on Oct. 1. The entry was planned by George A. Rutherford, president of the firm.

The Lincoln organization has an employee, Fred Owens, whose remarkable likeness in appearance and stature to President Lincoln has often been commented upon, and earned for him the honor of posing as Abraham Lincoln for Max Kalish, eminent Cleveland sculptor who made a statue of the martyred president.

Fred Owens was again called on to play the part of Abraham Lincoln—this time to impersonate him driving up Euclid Avenue in an open Victoria, reenacting the scene of Feb. 15, 1861, when Abraham Lincoln visited Cleveland.

In order to make this feature as nearly accurate in detail as possible, Mr. Rutherford did some advance research, finding exactly the type of conveyance, costume, harness and equipment authentic for the Civil War period.

A beautiful trophy now graces the main office of The Lincoln Storage Company.

But worth even more than this, one hundred thousand people who saw this feature in the University Circle Festival Pageant were impressed by its novelty and reminded of the name of the Lincoln organization.

Molan Organizes Lincoln Co.; Handbills Advertise "Storage Prices Slashed"

JOHN H. MOLAN, formerly secretary and operating manager of the Atlas Storage Warehouse Co., Philadelphia, and more recently with the Bell Storage Co., Camden, N. J., in charge of sales development, has announced the formation of a new company, to be known as the Lincoln Storage Co. This, Mr. Molan says, will operate a moving, packing and storage business in the building at Powelton Avenue and Thirty-eighth Street, owned by Frederic E. Aaron and formerly occupied by the Powelton Co. The building had been vacant for about two years.

Mr. Molan opened for business in the new quarters on Oct. 1. He says he plans to conduct in connection with the business a used furniture department, which will be a strong feature. He recently had handbills printed for distributions, reading as follows:

"STORAGE PRICES SLASHED!
Clean, separate rooms in a large, modern building. Be sure and get our rates before placing your order, for we know we can save you money. A call at our warehouse will convince you that we are offering real **BARGAIN PRICES** for first-class protection. **WHY PAY MORE?"**

"Allied Warehouses, Inc." Is Organized by Ten Firms in Cities on Pacific Coast

ARTICLES of incorporation have been granted by the State of California to the Allied Warehouses, Inc., with principal offices to be at 3625 South Grand Avenue, Los Angeles. Permits have been sought to do business also in Oregon and Washington.

The purpose of the new organization, comprising ten leading Pacific Coast household goods storage firms, all members of the National Furniture Warehousemen's Association, is to effect reciprocal arrangements with eastern warehouses and under such arrangements to consolidate and coordinate solicitation and advertising, as well as record of reciprocal tonnage forwarded by members of the Allied group.

Allied's temporary president is Ray R. Sutton, secretary-treasurer of the Pasadena Transfer & Storage Co., Pasadena,



Ray R. Sutton, Pasadena executive serving as president of Allied Warehouses, Inc.

and a director of the N. F. W. A. According to Mr. Sutton:

"One factor in the establishment of the Allied Warehouses is that much l.c.l. tonnage is forwarded to the Pacific Coast unconsigning, and the forwarding warehouses located in the East never receive credit or reciprocal shipment from anyone on the Pacific Coast, whereas the new organization urges all eastern warehousemen to consign all shipments, regardless how small or whether sent via some forwarding company.

"The Allied will favor no one freight forwarding company, as various members represent different ones; hence shipments may be consigned to specific warehouses on the Pacific Coast, but via any agency the eastern shipper may desire."

Benjamin F. Ferris, manager of the Birch-Smith Fireproof Storage Co., Los Angeles, is temporarily secretary and treasurer of Allied. The vice-president is yet to be selected.

Allied's charter members, in addition to the Pasadena and Birch-Smith organizations, are the Alhambra Transfer & Storage Co., Alhambra; Fidelity Fireproof Storage, Los Angeles; Norton Fireproof Warehouse Co., Los Angeles; Redman Fireproof Warehouse Co., Santa Monica; Becker Storage Co., San Francisco; Miller Fireproof Storage, San Francisco; Hayden Transfer & Storage Co., San Diego, and Valley Van & Storage Co., Inc., Fresno. A number of membership applications is being considered.

Membership in the N. F. W. A. was not a requisite, according to Mr. Sutton, but "responsibility came first, ahead of other considerations," and "no new members may be accepted into Allied without the mutual and unanimous consent of every member, no questions being asked should any objection be raised to a proposed new member." Every member of Allied is a member also of the California Van & Storage Association.

It is planned in the coordinated advertising program that each member company shall retain its present name. An insignia is being prepared which will be used in advertising and on letterheads and van signs.

Walter E. Sweeting Weds

ANNOUNCEMENT is made by Mr. and Mrs. George Francis Coulson of the marriage of their daughter, Lillian Elsie, to Walter Elwyn Sweeting, on Oct. 1 in Philadelphia.

Mr. Sweeting, nationally known in household goods warehousing, is president of the Atlas Storage Warehouse Co., Philadelphia. He is president of the Pennsylvania Furniture Warehousemen's Association and is a past director of the National Furniture Warehousemen's Ass'n.

New Ohio Firm

The Fox Brothers Moving & Storage Co., Inc., Bratenahl, Ohio, has filed articles of incorporation, with a capital of 50 shares of no par value stock, to do a moving and storage business. Headquarters, 722 East 105th Street, Cleveland. The incorporators are C. R. Fox, J. G. Freese and T. C. Clark.

Atlas Opens a Terminal

The Atlas Storage Co., Milwaukee, has established a motor freight terminal from which independently owned carriers are operating on a daily delivery schedule. In the short time this terminal has been open, it has been used by motor freight lines operating to points as far distant as Chicago, Akron, New York, Pennsylvania and New England. Goods go forward by both motor truck and freight car.

Kennelly, in Magazine Article, Humanizes the Job of the Moving Man

MARTIN H. KENNELLY, president of the National Furniture Warehousemen's Association and president of the Werner Bros.-Kennelly Co., Chicago, is the author of an article, "It All Comes Out on Moving Day," in the October issue of *The American Magazine*.

"From the executive chair of a busy Chicago office I have directed the movement of thousands of families from old homes into new ones," he says in his introduction. "I have brushed against every angle of human nature."

From that starting point Mr. Kennelly goes on to tell how and why "the moving man's day is a compound of hustle, bustle, muscle, and sentiment, with hints of tragedy, some tears, and plenty of first-rate comedy"—a first-hand account, based on years of experience, of the moving man's job and of the reactions of husbands and wives.

For the business, as he points out, takes the moving man "behind the scenes" where he can "see deep into the circumstances and lives of strangers," and "you can't pull a fabric apart without discovering what it is made of." He writes:

"Willingly or not, we see drama played out, run onto tale-telling situations. We come to know people as they really are."

So the moving man must be close-mouthed. As Mr. Kennelly phrases it:

"I remember, when I was a small boy, the excitement that always attended the arrival in our street of a big horse-drawn van, painted red, and bearing on its sides a lifelike picture of Betsy Ross making the American Flag. We youngsters would stand around while goods were being moved in or out of a neighbor's house and stare at that picture."

"Of course, the van man's object was to attract attention to his equipment, and he was successful. But when I grew up and went into the moving business myself, it seemed to me I could suggest a far more appropriate symbol for a household moving van. It would be those three little monkeys that sit huddled together and pantomime the motto, 'Hear nothing, see nothing, tell nothing.'"

"Any experienced moving man will know what I mean."

And Mr. Kennedy goes on to tell, by citing actual incidents, just what he means by hear nothing, see nothing, tell nothing. It is an article replete with human interest and humor and should give the American public a fresh insight into furniture warehousing.

—K. B. S.

Stodghill Honored

W. L. Stodghill, manager of the Fireproof Storage Co., Inc., was elected president, on Oct. 5, of the Motor Truck Club of Kentucky. This organization, with about 350 members, includes firms, in many lines of business, which operate commercial vehicles.

Regulation of Trucks and Forwarders Is Foreseen in the I.C.C. Rate Decision

(Concluded from page 44)

Such cooperation, which we believe the times make essential, would also be of great advantage in carrying on adequate research and experimentation.

"The record shows that in the past decade the railroads have made great strides in improving their service and at the same time operating with greater efficiency and economy. But what they have done in this direction has largely followed lines which developed under conditions different from those which now prevail, and it has been characterized by a continual intensifying of their own competition. At a time when, as an industry, they have new enemies to face, their warfare with each other has grown more bitter, so that economies in operation have been offset in part by the growth of competitive waste."

Motor Competition

The Commission pointed out how competitive forces—trucks, pipe lines and water lines—have cut into rail traffic. Of trucks, the Commission said:

"Movement by truck is a new form of competition which has been developing with great rapidity. It has been principally effective on less-than-carload traffic and relatively short hauls of such commodities as livestock, cotton, cement, sand and gravel, gasoline, fruits and vegetables, and general merchandise; but it is continually extending to more and more traffic, and for longer distances, as trucks and trailers are enlarged and highways improved.

"At present it is aided by prevailing low prices for gasoline and rubber and the over-supply of labor. In addition to rates, advantages which it offers to the shipper are in rapid and flexible service, store-door receipt and delivery, the transportation at carload rates of much smaller lots than are possible by railroad, and elimination of costly railroad packing requirements.

"The carriers introduced evidence to show that it would be feasible for the trucks to divert only a comparatively small amount of additional tonnage, even if rates were increased. But without exaggerating the menace of this form of competition, we are convinced that the carriers have underrated it, and that its possibilities are materially greater than they are prepared to concede."

In addition to the competing modes of transportation, the Commission pointed out, a high level of freight rates has a tendency to localize industry and impel the use of substitute products.

"It is the long-haul producer demanding the maximum of transportation service who suffers most severely from high rates," the Commission said. "The advantage of the short-haul producer is greatly accentuated, and in consequence a tendency rapidly develops to relocate plants or establish branch plants and

warehouses. And these new plants or subsidiary means of distribution are inevitably located, not only with a view to shortening the haul, but also with an eye to competitive waterway and truck opportunities. That such a tendency in industry is rapidly developing, the evidence before us plainly indicates.

"However sympathetic one may be with the plight of the railroads and their need for additional revenue, such sympathy cannot with benefit to any one be carried to the point of a refusal to recognize and face facts. The facts set forth above show beyond question that there are elements of plain peril to the railroads in such an increase in freight rates as they propose at the present time. The chief dangers are (1) that at a time when transportation costs are of vital consequence to every industry it will stimulate new competitive forces already rapidly developing; (2) that it will alienate or impair the friendly feeling toward the railroads on the part of the people of the country which is essential to adequate legislation for their protection and the proper regulation of all forms of transportation in the public interest, and (3) that it will disturb business conditions and an already shell-shocked industry, and accelerate the tendency toward a localization of production.

"It should be borne in mind that traffic once lost to a competitive agency is far more difficult to regain than it is to hold before it is lost. And it should also be noted that disturbance to industry would be caused, not only by the immediate increase in charges, but also by the slow process of inevitable readjustment to a lower level of rates which would be necessary in many instances, and which the railroad executives themselves concede that they anticipate."

The Commission also indicated its belief that the railroads actually had not made a good case in presenting their plea for a 15 per cent increase. It pointed out that the railroads failed to put any traffic officers on the witness stand, though shippers asked to have them. The excuse offered by the carriers, that such a procedure would have unduly prolonged the hearings, the Commission said, was not an adequate answer.

As to the rate-increase plan suggested by the Commission, the carriers have been given until Dec. 1 to accept or reject it. The increases allowed would be limited to a period ending March 31, 1933, their continuance beyond that time to depend on conditions existing at that time. The revenues from the increases would have to be placed in a common pool, administered by the railroads, from which the weaker roads could obtain funds with which to meet their fixed charges.

Details of the pooling plan were left to the railroads to work out, but the plan would have to receive the Commission's approval. If the carriers reject the plan, there will be no increase in freight rates.

—Stephens Rippey.

Milbauer Returns to Warehousing: Manager of Brooklyn Company

CHARLES MILBAUER, nationally known in merchandise and household goods warehousing and in the forwarding business, became associated, on Oct. 1, with the South Eleventh Street Warehouse Corporation, Brooklyn, as manager. The organization operates the property of the old Mollenhauer Sugar Refinery—approximately 150,000 square feet of space located on the Brooklyn waterfront.

Organizer and first president of the Newark (N. J.) Traffic Club, Mr. Milbauer has had a long business career identified with transportation and warehousing. At various times he has been general eastern manager of the Trans-



Charles Milbauer, who has re-entered warehousing as general manager of firm in Brooklyn

Continental Freight Co.; general eastern agent of the Green Bay & Western Railroad Co.; manager of the Shupe Terminal, now the Lincoln Terminal Corporation, Kearny, N. J.; manager of the Port Newark Army Base, now the Mercur Corporation, at Port Newark, N. J.; and, from February of 1928 until May of 1931, vice-president and general manager of the Hoboken Manufacturers Railroad, Hoboken, N. J.

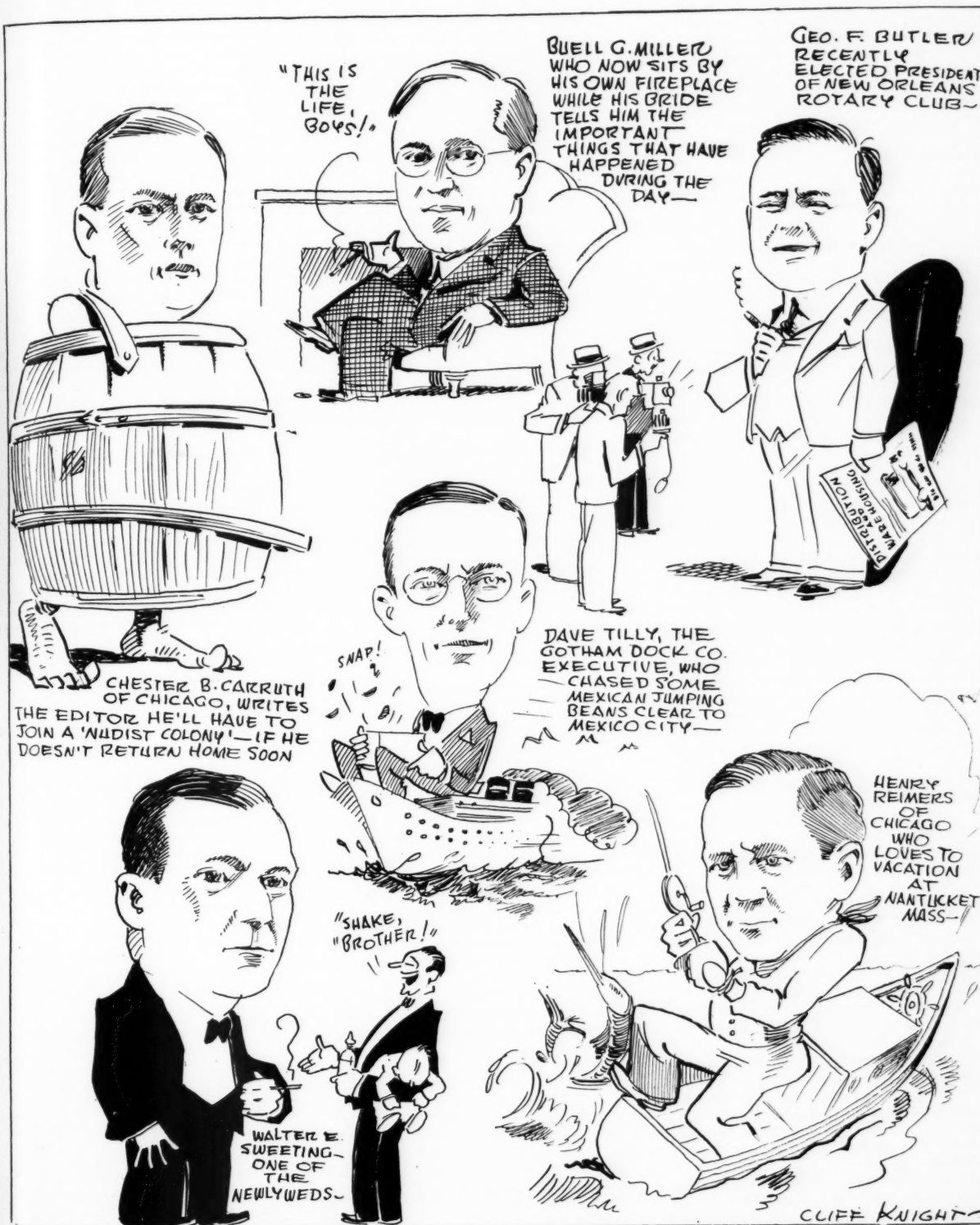
M. C. Wood Becomes Secretary

Ralph J. Wood, president of the Lincoln Warehouse Corporation, Chicago, announces that A. C. Dengler is no longer identified with the firm, of which he was secretary. Mr. Wood's son, Morrison C. Wood, the company's treasurer, is now also secretary.

B. F. Redman, president of the Redman Fireproof Storage Co., Salt Lake City, Utah, has been appointed a member of Governor Dern's committee for the relief of the unemployed.

Sketchovers

News Interpretations
by Cliff Knight



Rail Carriers Assail "Free Storage" by the Federal Barge Lines

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

THE much discussed "free storage" of sugar by the Inland Waterways Corporation in its warehouses at Birmingham and Holt, Ala., and Memphis, Tenn., loomed large during oral arguments before Interstate Commerce Commissioners Aitchison, Porter and Tate on Oct. 8. The arguments were in I. & S. Docket 3534, which involves cancellation of rates on sugar via the barge line from New Orleans and Mobile to the Southeast, and in Docket 23836, *Savannah Sugar Refining Co. et al. v. Inland Waterways Corporation, et al.*

The nature of both cases was set forth in *Distribution and Warehousing* for September, p. 52.

C. R. Hillyer, appearing for the Savannah Sugar Refining Co., characterized the sugar storage as "absolutely free."

"The charge of one and a quarter cents per 100 pounds made by the barge lines is shown in their tariff as a stoppage charge and not a storage charge," Mr. Hillyer said. "The storage services and facilities are given away without any charge whatever."

He pointed out that the universal transit charge on railroads in the southeastern part of the country is 2½ cents per 100 pounds. This charge, he said, had been found reasonable by the Commission. It does not cover any storage at all, he said.

"The barge line is not above the law," he continued. "It cannot give away its services. There is nothing in the law to countenance any such engine of oppression. No one can compete against such service as the barge line is giving."

Mr. Hillyer called the commissioners' attention to the \$75,000 per year which the barge line is paying for rent in Memphis. None of this cost, he said, is included in the barge line's computation of the cost of rendering the storage services.

He referred to testimony given in a previous case before the Commission by W. M. Hough, traffic manager for the barge line, in which Mr. Hough said the storage of sugar in the warehouse was merely "incidental." He then produced photographs of the storage warehouses at Birmingham and Holt which had been introduced in evidence in the present case. These photographs showed the warehouses were filled with sugar in all kinds of packages.

"There are fifty different kinds of sugar stored in these warehouses," Mr. Hillyer said. "Records must be kept of all of it; the warehouses must be kept heated to prevent the sugar from becoming damp, and when orders come from the refiners it is the barge line which fills them by moving out the sugar in storage there. Yet not one of these items of expense is counted in the barge line's computation of its costs."

Mr. Hillyer and H. L. Walker, attorney for the Southern Railway and other carriers, relied strongly on a decision of the Commission handed down in 1929 in a case brought by the Inland Waterways Corporation against the railroads seeking differential rates between New Orleans and Mobile and various points in the Southeast (151 I. C. C. 126).

In that case there was some discussion of the storage accorded by the barge line to sugar at Memphis, Birmingham and Holt, which then was entirely free. The Commission held that where free storage was provided by the barge line in connection with barge-rail rates, the barge-rail rates should be no lower than the all-rail rates. The Commission then said:

"Where the barge line performs free storage in transit on sugar, an additional element of expense is added to the cost of its service which we have on this rec-

A. W. A. "Free Storage" Complaint to Be Argued Nov. 12 Before I. C. C.

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

ORAL argument in the American Warehousemen's Association's complaint (Docket 23510) against the Government's Inland Waterways Corporation, involving the Federal barge lines' alleged free storage of sugar at Memphis, Birmingham and Holt, has been assigned for 10 A. M., Nov. 12, before Chairman Brainerd and Commissioners McManamy and Lee of the Interstate Commerce Commission.

The argument will be held in the Commission's offices in this city.

—Stephens Rippey.

ord no means of appraising and which may, for all we know, entirely offset the lesser cost of the barge service as compared with rail service.

"Furthermore, this free storage-in-transit arrangement apparently increases the value of the barge-rail service so that it is practically as desirable as through all-rail service. In other words, the privilege of storing free at the end of the barge haul and shipping out by rail at any time within the limit of one year apparently overcomes the disadvantage incident to the slow movement by barge. This being the situation, so far as we can determine it on this record, no sufficient justification has been shown for any differential in barge-rail rates which are coupled with the privilege of free storage in transit."

Mr. Hillyer declared that the Commission already had decided in that case

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Barge Lines Being Operated at a Loss

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

FIGURES compiled by the bureau of statistics of the Interstate Commerce Commission and recently made public, giving selected financial and operating data of water carriers for the year 1930, provide cold comfort for advocates of Government in business as exemplified by the Federal barge lines.

The figures, indeed, show the Federal barge lines enjoyed a net income of \$46,767 for the year 1930, while all but three of thirteen other water carriers plying the Mississippi River (subject to jurisdiction of the Interstate Commerce Commission) showed red ink figures for the same year.

But the figures fail to tell the whole story. The Inland Waterways Corporation, while proudly announcing a net income in black when its competitors show their "incomes" in red, neglects to mention such trivial details as that its operating expenses do not include taxes and that it pays no interest on the \$20,000,000 it has invested in the costly experiment.

Private Operators

The American Barge Line Co., which handled 301,148 tons of freight in 1930, as contrasted with 1,424,477 handled by the Federal Barge Lines, reported a deficit of \$36,391 for the year. A deficit of \$9,176 was reported by the Westwego Petroleum Barge Line, Inc., the next largest water carrier reporting. This lines handled 40,354 tons of cargo. The greatest deficit of all, however, was reported by the Mississippi Valley Barge Line for the three months ended Dec. 31, 1930. During this short period the Mississippi Valley lost \$117,075.

Of the privately operated lines which reported actual earnings, not one exceeded \$4,000. For the period Sept. 15 to Dec. 31, 1930, the Beardslee Launch & Barge Service, Inc., reported a net income of \$3,779. The net income of the Mozelle Packet Co. for the entire year totaled \$819, and that of the Natchez & Louisiana Railway Transfer Co., \$3,482.

Not one of the privately operated lines declared a dividend for 1930.

At any rate, Gen. Ashburn has shown a profit for 1930—and that, apparently, is all that is necessary.

—Stephens Rippey.

Parker Discusses Contract Law for the Warehouseman

(Concluded from page 24)

against one does not bar the right to a judgment against the other. . . . We think in that view of the case the plaintiff [trucking company] had the right to pursue his remedy in its entirety against the Commercial Casualty Company, and if the Commercial Casualty Company paid, it would have a right to contribution against the Travelers."

L.C.L. Pick-Up Service Is Now Effective in the Southwestern Territory

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

MOTOR truck pick-up and delivery service on less carload shipments is now an established fact on some 100 railroads operating in the southwestern part of the country. Tariff schedules providing such service became effective on Oct. 1 after the Interstate Commerce Commission refused to suspend Agent Johanson's tariff 88, I. C. C. No. 2318.

A number of protests were received by the Commission against the proposed service, details of which were given in *Distribution and Warehousing* for October, p. 44. While no formal protest was made by the railroads of the Northwest, it is understood they were hoping for a suspension because the pick-up and delivery service resulted in lower L.C.L. rates on many shipments. The northwestern carriers, it is understood, did not want this lower-rate wedge inserted in the L.C.L. rate structure.

Briefly, the Johanson tariff provides for free pick-up and delivery service on all L.C.L. shipments handled a distance of approximately 300 miles or less. Shippers who deliver their own goods to stations will be granted an allowance of five cents per 100 pounds, provided they file claim for it. No allowance, however, is granted at destination.

No free service will be performed on high explosives, cotton or cotton linters and livestock, nor will it be granted on shipments originating in or destined to points beyond the southwestern lines' territory. On such traffic a charge of 10 cents per 100 pounds will be made.

The territory in which the new service is effective includes Louisiana, Texas, Oklahoma, Arkansas, Kansas, Missouri (south of the Missouri river), parts of Colorado and New Mexico, and the cities of East St. Louis, Ill., and Memphis, Tenn.

In refusing to suspend the new service, the Commission has given at least its informal approval to another scheme of coordination of rail and truck service. The service, of course, is subject to formal complaint, but in declining to suspend the Johanson tariff when several protests had been lodged against it, the Commission has indicated its attitude toward attempts to coordinate the two most important forms of transportation.

The "Blue Streak"

On the same day the new pick-up and delivery service became effective, the St. Louis Southwestern Railroad announced a revolutionary L.C.L. freight service which is said to give "with safety, dependability and economy the speed which the motor truck vainly endeavors to give."

The new service of the Cotton Belt provides coordinated rail and motor truck delivery service, giving overnight deliveries within a 590-mile radius from St. Louis. The new "Blue Streak," which provides this hitherto unheard of service,

"jettisons the conventions and taboos of railroading," according to a statement issued by John R. Turney, vice-president in charge of traffic.

"It is powered by passenger locomotives," according to Mr. Turney. "The maximum consist is 18 cars. It is carded as first-class, making it the peer of any train on the road and, while it transports nothing but L.C.L. merchandise, it distributes merchandise in carloads.

"Leaving St. Louis after the close of the business at 5:30, it will race 400 miles to Pine Bluff in 10 hours. Before noon it will be in Shreveport, 590 miles away. In that distance it makes seven stops to drop cars of merchandise. At each stop a fleet of trucks awaits it. Through train and truck coordination, merchandise sold in St. Louis today will be ready for sale before noon tomorrow over the store counters in Memphis and all points served by the Cotton Belt in Missouri, Arkansas and Louisiana.

"It is the railroad's answer to the demand of modern business, and unquestionably will prove to be the forerunner of a new strain of freight trains."

—Stephens Rippey.

Position Wanted

BY young man, 30 years old, with six years' experience estimating and soliciting in Chicago. Possesses initiative and ability. Best references. Now employed. Will go North, East or West. Address Box Z-778, care of *Distribution and Warehousing*, 249 West 39th Street, New York City.

Arthur Smith Heads Business Federation

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

ARTHUR CLARENDON SMITH, vice-president and secretary of Smith's Transfer & Storage Company, 1313 U Street, has been elected president of the Federation of Business Men's Associations of Washington, D. C.

The Federation came into existence at the Logan Hotel here on Oct. 16, when representatives of leading businessmen's organizations met at dinner to organize a plan for cooperative effort in the promotion of business ethics and for the furtherance of the objectives of the several clubs, it was explained.

Mr. Smith, who is a nationally known warehouseman, attended as representative of the Central Businessmen's Association, of which he is president.

—James J. Butler

When you ship goods to a fellow warehouseman use the Monthly Directory of Warehouses.

Mooney Opens Terminal in Boston; Overnight Service via Railroad

ANNOUNCEMENT is made by Edward G. Mooney, president of the Hartford Despatch and Warehouse Co., Hartford, Conn., that this organization, already operating warehouses in Hartford and Bridgeport, Conn., and Springfield, Mass., has established a terminal on Northern Avenue, directly opposite the Merchants & Miners' pier, in Boston.

"Effective Oct. 1," according to Mr. Mooney, "we have our own equipment in Boston and are operating daily service to and from Boston and all Connecticut points. We operated a similar service for the past fifteen years in connection with the Boston & Springfield Despatch, but this service is new in the respect that we are now operating independently. We are doing this because competition has been so keen that in order to meet competitors' rates it was necessary that we operate independently, as there was not sufficient revenue in the transportation dollar at the present time for two companies to participate in the earnings.

"There is room for three cars at the platform and we load cars for Boston and Hartford, at the terminals at Boston and the warehouse at East Hartford, each night. The New York, New Haven & Hartford Railroad then gives an overnight service. Cars are pulled off their respective sidings between 7.30 and 8.00 p.m., and placed ready for unloading shortly after 5.00 a.m.—sometimes before this hour. This gives us the advantage of an overnight service, enabling us to compete with the motor truck carriers. We are able to handle a volume of business, irrespective of tonnage, one way or the other. We do not have to load both ways in order that equipment is not returned empty.

"Under the new set-up, together with the distribution that we have from our warehouses at Hartford, Bridgeport and Springfield, together with a daily motor truck service to Worcester and other Massachusetts cities, we are in a position to render service for distribution that is practically unequalled by any motor truck company operating in our particular vicinity."

The terminal operating organization in Boston is called the Hartford Despatch Co., and Mr. Mooney stated that it should be understood that he was not entering the warehouse business in Boston. "This is strictly a freight movement," he said, "and we are catering to our own service between Boston and Connecticut points and points in western Massachusetts." He added:

"The warehouseman must either control or have ironclad working arrangements with motor freight lines; otherwise they are going to come into the warehouse field."

C. D. Coggeshall, president and owner of the Federal Storage & Van Co., Tulsa, Okla., has taken over the active management of the firm.

Rail Carriers Assail "Free Storage" by the Federal Barge Lines

(Concluded from page 48)

what it was being asked to decide in the present case.

"All we ask," he said, "is that the Commission stick by its former decision, as nothing has occurred since that time to controvert that decision."

Speaking for the Inland Waterways Corporation, Nuel D. Belnap stressed the "disadvantages" of shipping sugar by barge and declared that the barge line could not hope to hold this or any other traffic if the spread between the barge-rail rates and the all-rail rates were narrowed.

"As far as the owner of the sugar is concerned," he said, "the sugar is frozen during the shipping period; he can't sell it and he can't divert it to obtain a better market."

He said the only difference between sugar moving via the barge line through to destination and that stored in that the latter is laid on the floors of the warehouses instead of being loaded into cars.

"It costs 40 cents per ton to take sugar out of the barges and put it in cars for further shipment," he said. "The cost is the same if the sugar is placed in the warehouses. The only difference is in the rehandling when the sugar is taken from the storage pile and placed in the cars."

The cost of this rehandling, he said, was 15 cents per ton, whereas the barge line charged shippers a minimum of 25 cents per ton. This gives the barge line a "profit, if you call it that," of 10 cents per ton, he said. In addition, Mr. Belnap pointed out that the shippers of sugar by barge must pay insurance on his cargo and must pay the interest on the value of the sugar while it is en route.

All these charges against sugar, he said, aggregated 5½ cents per 100 pounds, while the difference between the barge-rail rate and the all-rail rate was only 7 to 9 cents per 100 pounds. Any increase in the charge via the barge line, he said, would drive the business away from it.

Mr. Belnap declared that shippers using the barge line face handicaps of service not faced by all-rail shippers. The service, he said, is uncertain and it "messes up" the business arrangements of shippers by its slowness. Damage to the shipments also is greater when the barge line is used, he said.

He scoffed at the argument of the rail lines that, by storing their sugar at Birmingham, Holt or Memphis, the refiners overcome the natural handicaps of barge line slowness. He said Examiner Charles W. Berry, in his proposed report, had found the difference in time was only about a half-day in favor of sugar moved out of storage as against that moved direct from New Orleans or Mobile by rail. This slight difference, Mr. Belnap said, does not overcome the barge line's handicaps.

Replying to a question by Commissioner Tate, Mr. Belnap said the barge

BARGE LINE "FREE STORAGE"

line did not use private warehouses for storing sugar at the three points involved because there were no private warehouses on the river banks which could be used.

"If there were," he said, "we would be glad to use them."

Arguing against the storage charge, Mr. Walker declared that if the Commission approves it in this case the barge line is prepared to inaugurate it on coffee and any other traffic which might want to have the benefit of "free storage."

Mr. Belnap denied this, declaring that no such evidence was in the record, and that the railroads were merely trying to "scare" the Commission into deciding in their favor. He said the record concerned only sugar.

Mr. Walker said if the barge line puts in "free" storage of other commodities, "we might as well close down our railroad from New Orleans up the Mississippi."

"We think this storage in transit deprives us of our fair share of the traffic from the Gulf ports to the Southeast," Mr. Walker said.

He declared that the service to consumers on sugar stored in the barge line warehouses was superior to the service that could be given by all-rail movement direct from New Orleans. Naturally, he said, the consumer would use the route affording the lower rate, which also has the added advantage of better service.

"There is evidence in this record which shows that refiners store sugar in New Orleans awaiting sale," Mr. Walker said. "Naturally they would rather have their sugar in free storage while en route to Memphis or Birmingham, as well as the additional advantage of lower storage charges at those points."

He said the railroads had not entered the case to attempt to prove the inadequacy of the storage charges, but that he must call the commissioners' attention to the fact that the 15 cents per ton cost claimed by the barge line includes only the wages of laborers and contained no item of supervision or overhead.

Mr. Walker pointed to contradictory testimony given by Mr. Hough. In 1928, when the warehouse facilities were being constructed, he said, Mr. Hough testified before the Commission that, unless they were used for storage of sugar, they would be practically wasted. Later, Mr. Walker said, Mr. Hough testified that the storage of sugar was "merely incidental."

"It looks like a quarter of a million of the public's funds has been spent to provide facilities for storage of sugar at Birmingham and Holt," he concluded.

Mr. Belnap disputed the statement that \$250,000 had been spent for storage facilities alone. He said the barge line's cost figures did not include any overhead because the overhead would be just the same whether or not sugar were stored or moved through the warehouses for immediate reshipment. He declared the storage charge was not a burden on other traffic, but that the barge line made a profit on it.—Stephens Rippey.

Distribution and Warehousing
November, 1931

Committee Opinion Divided Regarding the Barge Lines

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

A MAJORITY of the inland water transportation committee of the Chamber of Commerce of the United States has submitted a report to the board of directors of the Chamber recommending changes in the existing law to permit transfer of parts of the barge lines now operated by the Inland Waterways Corporation to private operators under conditions to assure continuance of service.

A minority of the committee, while favoring eventual private operation, believed the lines on the entire Mississippi system should be dealt with as a unit and that Government operation should be continued until channels, terminals and joint routes and rates have been completely established.

The report will not be made public until, or unless, it is adopted by the board at its next regular meeting, to be held on Nov. 20 and 21 at Buffalo. The inland water transportation committee's report is one of a number which have been in active preparation during the past few months by various committees of the Chamber and should be of unusual interest to warehousemen who believe the sooner Uncle Sam gets rid of the Mississippi-Warrior barge lines the better it will be for everybody concerned.

—Stephens Rippey.

Hiner Starts Suit to Compel Arrests

WARD B. HINER, president of the Red Ball Transit Co., Indianapolis, operating moving vans, filed suit in the Circuit Court in Indianapolis on Oct. 7 to mandate Frank Mayr, Jr., Indiana's secretary of state, to arrest all Florida, Tennessee, Georgia and Oklahoma motorists entering Indiana without Indiana license plates.

The complaint sets forth that the four States refused to recognize Indiana plates and were arresting motorists who failed to purchase plates of those States.

"I have taken this stand," Mr. Hiner was quoted as saying, "because I think it is embarrassing to our secretary of state to take action, and if this mandate is granted it will settle the whole license war in five days. This war has cost Indiana citizens more than \$1,000,000 and at the same time citizens of other States were enjoying the free usage of Indiana roads."

Seattle Changes

James A. Walker, formerly president of the Reliable Transfer & Storage Co., Seattle, is now president of the Merchants Transfer & Storage Co. of that city.

A. J. Hamilton, formerly manager of the Seattle office of the Trans-Continental Freight Co., has succeeded Mr. Walker as president of the Reliable.

Neeser and Morgan Head Unemployment Committees

JOHN G. NEESER, president of the Manhattan Storage & Warehouse Co., New York, and William Fellowes Morgan, Jr., president of the Brooklyn Bridge Freezing & Cold Storage Co., New York, have accepted committee chairmanships in the activities of the New York Emergency Unemployment Relief Committee's division of commerce and industry. Mr. Neeser, who is a director of the National Furniture Warehousemen's Association, heads the general warehousemen's committee, and Mr. Morgan heads the cold storage warehouse committee.

Every prospect in the two warehouse groups will, wherever possible, be interviewed personally, and reports submitted on the interviews, according to the announced plan for the campaign; such efforts, while scattered city-wide, will be coordinated and carried on in a carefully systematized way.

Trade Merger

The Easton Car & Construction Co., Easton, Pa., has purchased the industrial division of the Lakewood Engineering Co. Hereafter the Lakewood tier trucks, electric trucks, trailers, skids and industrial cars will be made at Easton.

Position Wanted

AN American, well educated, 36 years old, who speaks reads and writes Spanish, and who has sold diversified merchandise in the United States and South America, and who is a good correspondent with executive ability—

Would like to take over the sale or distribution of a firm doing business in the Los Angeles territory, or take charge of distribution from Los Angeles stock.

Moderate salary or any other satisfactory arrangement. Can furnish best references.

Address Box F-213, care of *Distribution and Warehousing*, 249 West 39th Street, New York City.

Freight-Handling Pamphlet

"Handling Freight at Lower Costs Increases Railroad Profits" is the title of a twelve-page illustrated pamphlet issued by the Elwell-Parker Electric Co., Cleveland.

Wisconsin Court Upholds Milwaukee's Assessment on Terminal's Property

THE Wisconsin Supreme Court at Madison on Oct. 13 decided that the warehouses operated in Milwaukee by the Terminal Warehouse Co. are taxable at the city rate. The Court overruled the appeal of the firm that the warehouses were part of the interstate railway property and that therefore they were taxable only at the State rate, which is considerably lower than the city rate.

The Terminal argued that the land on which the warehouses are located was owned by the Chicago, Milwaukee & St. Paul Railroad Co. up to 1926, at which time the road went into the hands of receivers and leased the land to the Terminal for fifty years, provided it would build on the property a warehouse costing \$150,000.

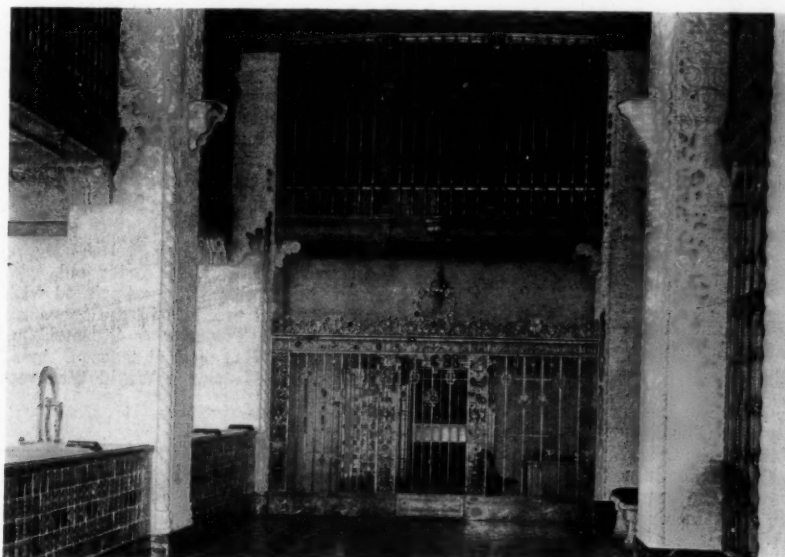
The Terminal said it had outgrown this warehouse by 1927 and leased another parcel of land from the railroad on condition that the Terminal would build a four-story warehouse thereon. In 1930 the city of Milwaukee assessed these properties at \$387,500 and attempted to collect taxes on the basis of the local rate.

The case was taken to court, and Circuit Judge Sullivan upheld the city.

Iron Gate Protects Hollywood Warehouse Executive from Racketeers!



B. W. Selby, general manager of the Hollywood Storage Co., Hollywood, Cal.



IN this era of racketeering, hi-jacking and hold-ups, Ben W. Selby, general manager of the Hollywood Storage Co., Inc., Hollywood, Cal., introduces to warehousing what he terms a jail gate (illustrated herewith).

One may not nonchalantly enter the Hollywood executive office. One must identify one's self with the lady at the switchboard located about twenty-five

feet from the gate. If the credentials are acceptable to Mr. Selby after they have been passed on to him via telephone, the lady at the switchboard operates a push button and the heavy iron portal slides aside and the visitor makes his entrance. One guesses rightly that electricity is associated with the gate's dignified functioning.

The gate has no nob, no latch, no

other apparent means of being opened. At first sight, one is distinctly puzzled—wondering how to get in if outside and how to get out if inside.

As a matter of record, the Hollywood company has two "jail" gates. The other is at the garage and is operated from the truck dispatcher's office some distance away.

Safety first!

Robert A. Weicker Dead; Was Stricken in His Home After Contracting a Cold

STRICKEN with brain infection on the night of Oct. 20 at his home, Robert A. Weicker, secretary and treasurer of the O. K. Transfer & Storage Co., Oklahoma City, died early on Oct. 22 in St. Anthony's Hospital. He was 41 years old.

Nationally known in the storage industry and a popular figure at the industry's conventions, "Bob" Weicker was at his office up to the Friday noon preceding his illness. With a group of friends he went on a duck-hunting trip and returned, Saturday morning, suffering from a bad cold. His doctors ordered him to rest at home. He was stricken suddenly on Sunday and did not recover consciousness.

The esteem in which Oklahoma City's business interests held Mr. Weicker was shown when the city hall was closed dur-

representing the southwestern territory.

"Bob" was active in civic work as a member of the Lions Club and the Chamber of Commerce. He belonged to Siloam Lodge No. 276 of the Masons, the Twin Hills Golf and Country Club and other organizations.

Mr. Weicker is survived by his wife, Mrs. Faye Weicker; a son, Robert, Jr.; his parents, Mr. and Mrs. A. C. Weicker, and a sister, Mrs. Ollie Barton, all of Oklahoma City, and an uncle, R. V. Weicker, president of the Weicker Transfer & Storage Co., Denver.

The funeral services were conducted by the Rev. Samuel M. Gibson, pastor of the First Presbyterian Church, and burial was in Fairlawn Cemetery.

Charles F. Barrett Dies; With Weicker Co. Quarter Century

CHARLES FRANCIS BARRETT, a vice-president of the Weicker Transfer & Storage Co., Denver, with which he had been associated for a quarter of a century, died on Aug. 30.

Born in Baltimore in 1878, Mr. Barrett went to Denver in 1903 and joined the Weicker organization three years later. In 1917 he became vice-president and held that position continuously thereafter.

Mr. Barrett was active in both national and local association work until failing health terminated such service.

W. S. Chase

Walter S. Chase, for many years with the Quincy Cold Storage & Warehouse Co., Boston, died on Oct. 11 at his residence, 30 Gammons Road, Waban, Mass., after a long illness. He was 61.

Widely known as a refrigeration expert, Mr. Chase was born in Portland, Me. After being graduated from Massachusetts Institute of Technology in 1895, he became associated with the Quincy Market organization. He had retired.

R. T. Leicht

Russell T. Leicht, 33 years old, who until two years ago was associated with his father and brothers in the operation of the Leicht Transfer & Storage Co., Green Bay, Wis., died at Tucson, Ariz., on Sept. 27. He was a World War veteran.

Position Wanted

IN executive capacity, by a warehouse general manager who, now employed, has had twenty years of experience in both household goods and merchandise branches of the storage industry.

Would prefer connection with a household goods warehouse.

Address Box A-879, care of Distribution and Warehousing, 249 West 39th Street, New York City.

Death Removes J. L. Karrick of Fidelity Co.

DISTRIBUTION AND WAREHOUSING'S Washington Bureau, 1163 National Press Building

JAMES L. KARRICK, 69, of 2120 Bancroft Place, this city, president of the Fidelity Storage Co., died on Oct. 19 at Stockbridge, Mass., after an operation for acute appendicitis.

He had been a Washington resident for a quarter of a century. In addition to heading the Fidelity, Mr. Karrick was vice-president of the Continental Trust Co. and a director of the Commercial National Bank.

Mr. Karrick was a member of the National Furniture Warehousemen's Association and of the merchandise division of the American Warehousemen's Association.

He is survived by his widow and two sons, David C. Karrick and James L. Karrick, Jr., both of whom are associated in management of the Fidelity organization.

Born in South Lee, Mass., Mr. Carrick was a grandson of a man named Hurlburt, who was the first to build a paper mill in that section of Massachusetts. Going to Denver at an early age, Mr. Carrick engaged in several business enterprises there, including a storage business, and accumulated sufficient money to develop the warehouse organization in Washington.

It was while he was in Denver that he met and married Miss Henrietta Brewer, daughter of the late United States Supreme Court Justice David J. Brewer.

Mr. Carrick's Stockbridge, Mass., estate of 300 acres, known as Southmayd, was formerly Henry Wadsworth Longfellow's Ox Bow Farm. There Mr. Carrick raised cows and conducted an extensive dairy.

—Stephens Rippey.

Mrs. Lena Leritz, 69 years old, wife of Louis Leritz, president of L. Leritz & Son Storage & Moving Company, Kansas City, Mo., died on Oct. 16 at Menorah Hospital. Besides her husband, she leaves a son, E. W. Leritz, two daughters, Miss Bess and Miss Edna Leritz, and a sister and two brothers.

Mrs. Agatha Clark Logan, wife of James P. Logan, one of the owners of the Logan Moving & Storage Co., Denver, died on Oct. 12 after collapsing from a heart attack while playing bridge with friends at her home. She is survived by her husband and three children.

Mrs. Louisa Amick, 80 years old, mother of A. H. Amick, president of the Amick Transfer & Storage Co., Denver, and president of the Movers & Warehousemen's Association of Denver, died on Sept. 26 from ailments attendant upon old age.



"Bob" Weicker, who died on Oct. 22 at age of 41

ing the funeral in the First Presbyterian Church on Oct. 29. He was a former city councilman.

Born in Guthrie, "Bob" Weicker lived for a time in Denver, going to Oklahoma City when his father, A. C. Weicker, established the O. K. organization, of which A. C. Weicker is president. "Bob" grew up with the business, holding an executive position for nearly twenty years.

When the Oklahoma Transfer & Warehousemen's Association was formed, in 1927, Mr. Weicker became its first president. When the Oklahoma organization earlier this year became part of the Texas-Southwest Warehouse & Transfermen's Association, he was elected the Oklahoma vice-president. A member of the merchandise division of the American Warehousemen's Association and of the National Furniture Warehousemen's Association, the National's Allied Van Lines chose him a director

**New Incorporations
as Announced Within
the Storage Industry**

California

LOS ANGELES—Chicago Van & Storage Co., 1701 South Hill Street. Storage warehouse and van service. C. E. Nicholson and Lois Nicholson, 5935 Cimarron Street, heads the interests.

Los Angeles—Gillespie's Van & Storage Co., 4200 South Broadway. Organized. Storage warehouse and van service. Andrew W. Gillespie, 287 West 42d Place, heads the interests.

Santa Monica—Bay Cities Van & Storage Co., 808 Wilshire Boulevard. Organized to give storage warehouse and van service. Thomas Barrett heads the interests.

Santa Monica—Bay Cities Van & Transfer Co., 162 Marine Street, Ocean Park. Organized. Samuel Corradini, 607 Marine Street, heads the interests.

Illinois

Chicago—Commercial Truck Terminals Co. Storage and terminal building. Capital, 900 shares of no par value stock. Registered office, 120 North Carpenter Street. Incorporators, Frank Klein, Alfred Flashaar and James F. Finnegan.

Chicago—Convoy Motor Freight, Inc., 2721 South Michigan Avenue. General transportation of freight. Capital, \$25,000. Incorporators, L. M. Mondray, Z. R. Mondray and G. B. Kepfield.

Chicago—Western Freight Lines, Inc., 53 West Jackson Boulevard. Capital, \$20,000. Incorporators, Justus A. Benson, Edward E. Akron and Martin L. Nielsen.

Freeport—Service Transfer Co. Capital, \$7,500. Incorporators, Daniel Rubindall and Hilda Rubindall. Address, 422 South Adams Avenue.

Monsanto—Monsanto Bonded Storage Co., Mississippi Avenue and A. & S. tracks. General storage business. Incorporators, Felix Dreyer, Alan Lewin, Edward F. Schwaech and others.

Indiana

Elwood—Elwood Transfer Co. Capital, 1000 shares of no par value stock. Incorporators, Tom Snyder, Indianapolis, and O. M. Hesler and A. A. Small.

Indianapolis—C. E. I. & I. Motor Freight Line, Inc. Capital, 1000 shares of no par value stock. Incorporators, Riley H. Shinkle, Francis R. Keiser and Albert A. Small.

Logansport—Chicago Central Union Truck Terminal, Inc. Trucking and van service. Capital, 1000 shares of no par value stock. Incorporators, Thomas Snyder, Indianapolis, and Joseph E. Thiede and Anthony Kain.

Kentucky

Lexington—Lexington Transfer & Storage Co. General storage and transfer business. Authorized capital stock, \$2,000, divided into 100 shares of \$20 par value. Incorporators, Guy Maupin, R. K. Smith and Mrs. M. A. Ray. Firm's indebtedness limited to \$25,000.

Michigan

Detroit—Twelfth Street Terminal Building, Inc. To operate a freight storage and distributing terminal. Capital, 20,000 shares of no par value stock. Incorporators, John F. Breining, E. U. Moore and Walter F. Haass.

Detroit—Wabash Motor Express Co., 1720 Nineteenth Street. Warehouse and trucking business. Capital, \$10,000. Incorporators, Sylvester Dauphin, 4882 Beaconsfield Avenue, and H. P. Wilson and Werner P. Weiss.

New Jersey

Atlantic City—Kensington Storage Warehouse Co., 1601 Atlantic Avenue. Cold storage, warehousing, etc. Capital, 2500 shares of no par value stock. Incorporators, David M. Grossman, Samuel Grossman and Florence Grossman.

Carlton Hills—Metropolitan Warehouse Co., Inc. Warehouse and moving service. Capital, \$100,000. Incorporators, Michael Connelly and M. Connelly of Passaic and Joseph J. Degan of Montclair.

New York

Albany—Albany Storage Corporation. Storage warehouse and van service. Capital, 50 shares of no par value common stock.

Brooklyn—Berkshire Vans, Inc. Transfer and moving service. Capital, \$5,000.

Floral Park—Floral Park Storage Co. Furniture storage and warehouse service. Nominal capital, \$5,000. Representative, B. E. Burstn, Hempstead.

New York City—Astor Storage, Inc. Furniture warehouse and van service. Capital, \$20,000. Principal incorporator, A. R. Zaldin, 1291 Eastern Parkway, Brooklyn.

New York City—Downtown Storage Warehouse Co. Storage warehouse and moving service. Capital, \$20,000. Principal incorporator, George Pfeil, 80 Wall Street.

New York City—Paramount Warehouse & Storage Corporation. Warehouse and van service. Capital, 100 shares of no par value stock. Principal incorporator, M. K. Bauer, 1440 Broadway.

Rochester—Blue Shield Warehouse, Inc. Warehouse and moving service. Capital, \$500,000.

Ohio

Cleveland—Twentieth Century Freight Forwarding Lines, Inc. Capital, 250 shares of no par value stock. Incorporators, Daniel J. Kelly, Mildred M. Finan and August W. Merklin.

Columbus—Peoples Warehouse & Storage Co. Capital, 250 shares of no par value stock. Incorporators, W. S. Cowan, Grace E. Cox and Dale D. Rapp.

Tennessee

Maryville—Sutton Transfer Co. Capital, \$5,000. Incorporators, L. B. Sutton, V. W. Davis, C. W. Dunford, L. M. Sutton and Margaret Dunford.

Nashville—Nashville-St. Louis Motor Express, Inc. Capitalization, \$2,500. Incorporators, Eph Hoover, H. Wilson, McKinley Wilson, Richard Gleaves and Jesse Wilson.

(Concluded on page 54)

**Construction,
Developments,
Purchases, Etc.**

Alabama

HUNTSVILLE—Dixie Warehouse & Storage Co. is planning to build a \$25,000 addition on West Clinton Street.

California

Exeter—Tulare Ice Co., Tulare, has plans for a \$40,000 1-story cold storage warehouse and ice plant in Exeter.

Oakland—Howard Terminal Corporation has awarded a contract for a \$50,000 1-story warehouse, 140 by 150 feet, at First and Market Streets.

Oakland—Merchants Express & Draying Co. has filed plans for a \$30,000 warehouse on Alice Street near Fourth Street.

Oakland—Pacific Freight Line has completed plans for a \$25,000 1-story addition to its warehouse on Southeast Fifth Street.

Tulare—Central California Ice Co., Fresno, has plans for a \$50,000 cold storage warehouse and ice plant at South K and Sonora Streets, Tulare.

Florida

Williston—Kimble Ice & Storage Co., Bronson, has plans for a \$50,000 cold storage warehouse on Church Street, Williston.

Indiana

Evansville—Universal Car Loading & Distributing Co. has established a branch office, with H. H. McClintic as local manager, at the Mead Johnson River-Rail Terminal Warehouse.

Gary—Gary Warehouse Co. has plans for a \$30,000 1-story warehouse, 60 by 100 feet, at Tenth Street and Massachusetts Avenue.

Iowa

Burlington—White Furniture Warehouse Co. is considering rebuilding its storage structure recently wrecked by fire with a reported loss of \$100,000.

Massachusetts

Worcester—Northeastern Storage & Distributing Co. has completed plans for an \$850,000 multi-story warehouse, 180 by 645 feet, at Grafton and Keefe Streets, but is holding them in abeyance pending decision to proceed with the project. Space would include both dry and cold storage facilities.

Michigan

Detroit—Central Detroit Warehouse Co. has filed notice of increase in capital to 130,000 shares, from 65,000 shares, of no par value stock.

Mississippi

Biloxi—Ocean Spring Ice & Coal Co. is planning to rebuild that portion of its cold storage warehouse recently damaged by fire.

New York

New York City—Port of New York Authority has awarded a contract for its proposed 16-story, basement and sub-basement inland storage warehouse and

(Concluded on page 54)

Construction Developments, Purchases, Etc.

(Continued from page 53)

freight terminal on block bounded by Eighth and Ninth Avenues and 15th and 16th Streets, the unit to cost \$7,591,000. The entire project is estimated to cost close to \$16,000,000 with equipment.

New York City—United States Trucking Corporation has filed plans for alterations and improvements, to cost about \$20,000, at its 1-story building at 24 to 40 East Street.

North Carolina

Raleigh—Raleigh Bonded Warehouse, Inc., has completed plans for a \$35,000 1-story warehouse.

Oklahoma

McAlester—Community Ice Co., Sulphur Springs, Tex., is considering construction of a \$45,000 1-story cold storage warehouse and ice plant in McAlester and a similar building in Sapulpa, Okla.

Tennessee

Chattanooga—Volunteer Ice Co., recently organized by H. V. Arnett, 106 Lonsdale Street, and associates, with a capital of \$250,000, has negotiations under way for purchase of the Miller Ice Co., the Tennessee Service Co. and the Old Hickory Ice Co., and plans to consolidate under one management for a cold storage warehouse and ice business.

Texas

Amarillo—H. C. Badger, 1310 West Sixth Street, heads interests which expect to organize a company to construct and operate a \$50,000 cold storage warehouse on Garfield Street.

Edcouch—R. E. Ewing, Santa Rosa, heads interests organizing a company to build and operate a \$75,000 cold storage warehouse and ice plant.

Fort Worth—Gulf Colorado & Santa Fe Railway Co. is planning construction of a \$75,000 2-story dry and cold storage warehouse and freight building.

Port Arthur—English Transfer & Storage Co. has removed to 1134 Fort Worth Avenue, on Southern Pacific tracks, from 845 Houston Avenue.

Virginia

Richmond—Chesapeake & Ohio Railroad Co. has plans for a \$35,000 1-story warehouse and freight building at Marshall and 17th Streets.

Wisconsin

Green Bay—Atlas Warehouse & Cold Storage Co. has plans for a \$45,000 1-story cold storage warehouse.

A Double Birthday

The eighteenth anniversary of the founding of the O. K. Transfer & Storage Co., Memphis, and the fiftieth birthday of its founder, James M. Walker, were celebrated on Oct. 14 with a party, attended by about twenty O. K. officers and employees, held at the Hotel Peabody in Memphis.

Arrangements were in charge of C. F. Hunt, general supervisor of the O. K. and Walker firms in southern cities.

Mr. Walker is president and general manager of both organizations.

Rowe Boys Carry On

D. C. Rowe and Walter T. Rowe, Jr., grandsons of D. P. Rowe, founder of the Rowe Transfer & Storage Co., Knoxville, Tenn., have entered the firm's employ, it was announced on Oct. 10. Walter T. Rowe, son of the founder and father of the two boys, formerly headed the organization.

D. C. Rowe is identified with the moving, packing, shipping and warehouse branch of the business, while Walter T. Rowe, Jr., is in the administrative department.

Dallas Co. Appeals Income Tax Ruling

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

THE right of a transfer and warehouse company to deduct, from its profits taxes, amounts of money paid for fraternal organization dues for representatives of the firm, and donations made with the expectation of promoting business, will be determined by the United States Board of Tax Appeals on application by the Dallas Transfer & Terminal Warehouse Co., Dallas.

The commissioner of internal revenue, David Burnet, has refused to sanction a deduction of \$443 covering expenditures of this kind made by the petitioner, enumerated as follows:

Donation to Industrial Dallas, Inc., \$180; Rotary Club dues, \$50; Traffic Club dues, \$10; Sunshine Club dues, \$4; Dallas Athletic Club dues, \$82.50; University Club dues, \$66; Lakewood Country Club dues, \$27.50; Kiwanis Club dues, \$15; donation to Reserve Officers, \$8.

It is claimed by the Dallas company that "these expenditures are deductible as necessary expenses of its doing business, constituting either advertising expense or expense for the maintaining of memberships in clubs for its various officers so that they would be enabled to make business contacts and secure new business for the petitioner."

The Federal department's reply to the petitioner's claim merely states that deductions of the kind asked are not permissible under the revenue Acts and therefore cannot be sanctioned.

—James J. Butler.

New Incorporations as Announced Within the Storage Industry

(Continued from page 53)

Texas

Corpus Christi—Red Arrow Freight Line, Inc. Capital, \$50,000. Principal incorporator, L. B. Brown, 1202 Tenth Street.

Denton—Woodrum Transfer Co., Inc. Capital stock, \$1,000. Incorporators, N. Woodrum, J. B. Woodrum and Mrs. J. B. Woodrum.

Dublin—Burke's Warehouse Co. Storage warehouse and transfer. Capital, \$5,000. Incorporators, P. L. Burke and A. P. Burke.

Houston—Ansel-Trousdale Warehouse Co. Warehouse and transfer service. Nominal capital, \$1,000. Incorporators, L. E. Ansel, W. L. Ansel and L. C. Trousdale.

New Braunfels—Carl Starr, Inc. Storage warehouse. Capital, \$5,000. Incorporators, Carl Starr and Noyes C. Starr.

Rocksprings—Edwards Truck Lines, Inc. Nominal capital, \$3,000. Incorporators, A. A. Edwards, Dudley Edwards and T. W. Aka.

Virginia

Martinsville—Patrick Henry Ice & Storage Corporation. Cold storage warehouse and ice plant. Capital, \$100,000. Principal incorporator, Randolph Perdue, Rocky Mount, Va.

Norfolk—Jackson Transfer & Storage Co., Inc. Maximum capital, \$15,000. John I. Jackson, Jr., is president.

Wisconsin

Eau Claire—Eau Claire Cold Storage Corporation. Capital, 2000 shares at \$100 each. Incorporators, A. P. Frank, G. F. Sexauer and L. H. Martin.

Competition!

Another motor freight line enters the storage business. In Fort Bend, Ind., the A. C. Motor Freight Lines, Inc., is erecting, at Garst Street and Prairie Avenue, a one-story frame and steel warehouse, 20 by 50 feet, at a cost of \$1,500.

Sherman Firm to Build

The Roger Sherman Transfer Co., Hartford, Conn., has announced plans for a brick addition, 60 x 100 feet, to be erected at its plant at 469 Connecticut Boulevard, East Hartford. The addition, which will be one story in height, will be used to house the firm's trucks.

Hartford Opening

The Boston & Springfield Despatch Co. has opened a Hartford, Conn., office at 245 Sheldon Street. The office is in charge of A. J. Shea.